

Individual Audit Exhibits

by Audit Subject

Performance Ranking of Randomly Selected Claims

Exhibit 1A	Profile Audit Review (PAR)
Exhibit 1B	Full Compliance Audit – Stage 1
Exhibit 1C	Full Compliance Audit – Stage 2

Findings for All Audited Claims

Exhibit 3	Penalty Assessments and Collections
Exhibit 4	Notices of Compensation Due

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: SAC-08-03-R1-5

Subject: Acclamation Insurance Management Services

Location: Fresno

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

# claims with unpd indem	6	divide by # claims with payable indem	56	=	0.10714
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 3,764.49	divide by	# of claims with obligation to pay indem.	56	
			Avg Unpd Ind =	\$ 67.22	

C. Severity Rate

Avg Unpd Indem	\$ 67.22	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.36101
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.10714	X	Severity rate	0.36101	X	modifier of	2	
						=		0.07736

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	9	divide by # with TD payments	23	
# claims with late first SC notice	5	divide by # with salary continuation	31	
Totals	14	divide by	Totals	54
				=
				0.25926

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	3	divide by # with first PD	17	
# claims with late first VRMA	0	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	22
				=
				0.13636

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	4	divide by # with subsequent payments	26	=
				0.15385

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	5	divide by # requiring notices	43	
# claims with VR potential eligibility notice violations	4	divide by # requiring notices	10	
Totals	9		Totals	53
				=
				0.16981

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

0.79664

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-08-03-R1-5**Subject: Acclamation Insurance
Management Services****Location: Fresno****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	9	\$425	\$425	\$0	\$0		x
2	3	\$950	\$950	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	7	\$1,075	\$1,075	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	5	\$150	\$150	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	4	\$1,100	\$1,100	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	5	\$1,700	\$1,700	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$1,000	\$1,000	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	1	\$750	\$750	\$0	\$0		x
18 d	6	\$500	\$500	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	42	\$7,850	\$7,850	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Acclamation Insurance Management Services

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$1,054.30	\$898.23	\$391.12	\$409.15			\$409.15
2				\$129.42			\$1,574.84
3				\$202.00			\$202.00
4				\$109.29			\$109.29
5				\$481.16			\$481.16
6				\$89.82			\$988.05
TOTAL	\$1,054.30	\$898.23	\$391.12	\$1,420.84	\$0.00	\$0.00	\$3,764.49

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-06-03-R1-2****Subject: Adventist Health System****Location: Roseville****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 7 divide by # claims with payable indem 55 = 0.12727

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 33,625.41 divide by # of claims with obligation to pay indem. 55
Avg Unpd Ind = \$ 611.37**C. Severity Rate**

Avg Unpd Indem \$ 611.37 divide by avg unpd indem 1999-2001 of \$ 186.21 = 3.28323

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12727 X Severity rate 3.28323 X modifier of 2
= 0.83573**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 6 divide by # with TD payments 52
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 6 divide by Totals 52 =
0.11538**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 1 divide by # with first PD 21
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 1 divide by Totals 22 =
0.04545**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 6 divide by # with subsequent payments 40 =
0.15000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 9 divide by # requiring notices 48
claims with VR potential eligibility notice violations 2 divide by # requiring notices 7
Totals 11 divide by Totals 55
= 0.20000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.34657**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	55
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: SAC-06-03-R1-2**Subject: Adventist Health System****Location: Roseville****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	6	\$590	\$590	\$0	\$0		x
2	1	\$800	\$800	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	8	\$750	\$750	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$1,900	\$1,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$300	\$300	\$0	\$0		x
18 b	2	\$1,200	\$1,200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	2	\$125	\$125	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	31	\$6,165	\$6,165	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$50.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.47
2	\$31.93	\$0.00	\$0.00	\$3.19	\$0.00	\$0.00	\$35.12
3	\$0.00	\$0.00	\$0.00	\$182.00	\$0.00	\$0.00	\$182.00
4	\$0.00	\$0.00	\$0.00	\$21.00	\$0.00	\$0.00	\$21.00
5	\$0.00	\$29,920.00	\$0.00	\$2,992.00	\$0.00	\$0.00	\$32,912.00
6	\$22.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22.14
7	\$0.00	\$366.08	\$0.00	\$36.60	\$0.00	\$0.00	\$402.68
TOTAL	\$104.54	\$30,286.08	\$0.00	\$3,234.79	\$0.00	\$0.00	\$33,625.41

Calendar Year: 2003

Individual Exhibit 1A

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: AHM-06-03-R1-5

Subject: AIG Claim Services, Inc.

Location: San Diego

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 7 divide by # claims with payable indem 59 = 0.11864

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. = \$ 13,438.42 divide by # of claims with obligation to pay indem. 59
Avg Unpd Ind = \$ 227.77

C. Severity Rate

Avg Unpd Indem \$ 227.77 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.22319

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.12 X Severity rate 1.22 X modifier of 2
= 0.29025

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	11	divide by # with TD payments	52	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	11	divide by	Totals	52
				=
				0.21154

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	2	divide by # with first PD	18	
# claims with late first VRMA	1	divide by # with first VRMA	6	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	24
				=
				0.12500

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subsequent payments 7 divide by # with subsequent payments 41 = 0.17073

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	46	
# claims with VR potential eligibility notice violations	6	divide by # requiring notices	14	
Totals	14		Totals	60
				=
				0.23333

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	65
Indemnity	59
Medical Only	0
Denied	0
Complaints	3
Additional	3

Audit No: AHM-06-03-R1-5**Subject: AIG Claim Services, Inc.****Location: San Diego****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	15	\$2,075	\$2,075	\$0	\$0		x
2	4	\$790	\$790	\$0	\$0		x
3	3	\$450	\$450	\$0	\$0		x
4	19	\$3,175	\$3,175	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	7	\$1,800	\$1,800	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	9	\$3,400	\$3,400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	7	\$2,300	\$2,300	\$0	\$0		x
18 b	2	\$1,500	\$1,500	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$275	\$275	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	69	\$15,765	\$15,765	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: AHM-06-03-R1-5

Subject: AIG Claim Services, Inc.

Location: San Diego

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$350.00						\$350.00
2	\$303.33	\$3,080.00					\$3,383.33
3	\$201.17						\$201.17
4	\$416.42			\$41.64			\$458.06
5	\$598.40			\$99.57			\$697.97
6	\$4,203.47			\$569.42			\$4,772.89
7		\$3,250.00		\$325.00			\$3,575.00
TOTAL	\$6,072.79	\$6,330.00	\$0.00	\$1,035.63	\$0.00	\$0.00	\$13,438.42

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-12-03-R2-1****Subject: Allianz Insurance Company****Location: Burbank****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

claims with unpd indem 4 divide by # claims with payable indem 22 = 0.18182

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 9,110.94 divide by # of claims with obligation to pay indem. 22
Avg Unpd Ind = \$ 414.13C. Severity Rate

Avg Unpd Indem \$ 414.13 divide by avg unpd indem 1999-2001 of \$ 186.21 = 2.22401

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.18182 X Severity rate 2.22401 X modifier of 2
= 0.80873**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 0
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 0 divide by Totals 0 =
0.00000**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 1 divide by # with first PD 1
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 1 divide by Totals 1 =
1.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 1 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 0
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 1 divide by Totals 1 =
1.00000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.80873**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: VNO-12-03-R2-1****Subject: Allianz Insurance Company****Location: Burbank****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	4	divide by # claims with payable indem	22	=	0.18182
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 9,110.94	divide by	# of claims with obligation to pay indem.	22	
			Avg Unpd Ind =	\$ 414.13	

C. Severity Rate

Avg Unpd Ind.	\$ 414.13	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	2.22401
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.18182	X	Severity rate	2.22401	X	modifier of	2	
						=		0.80873

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	0	divide by	Totals	0
				=
				0.00000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	1	divide by # with first PD	1	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	1	divide by	Totals	1
				=
				1.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	0	divide by # with subseq payments	1	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	0	divide by # requiring notices	0	
# claims with VR potential eligibility notice violations	1	divide by # requiring notices	1	
Totals	1	Totals	1	
				=
				1.00000

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****2.80873**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	25
Indemnity	22
Medical Only	0
Denied	0
Complaints	3
Additional	0

Audit No: VNO-12-03-R2-1**Subject: Allianz Insurance Company****Location: Burbank****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	7	\$475	\$0	\$475	\$0		x
2	1	\$160	\$0	\$160	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	17	\$975	\$675	\$300	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	1	\$100	\$100	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	4	\$1,100	\$1,100	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$0	\$100	\$0		x
18 b	2	\$1,400	\$0	\$1,400	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	8	\$525	\$0	\$525	\$0		x
18 e	2	\$1,100	\$0	\$1,100	\$0		x
18 f	1	\$400	\$0	\$400	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	44	\$6,335	\$1,875	\$4,460	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Allianz Insurance Company

Type: INS

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$228.00	\$1,548.30 \$7,481.20		\$46.00 \$215.60 \$154.83		\$417.12	\$417.12
2						\$46.00	\$46.00
3							\$443.60
4							\$1,703.13
5							\$7,481.20
6						\$1,183.82	\$1,183.82
7						\$28.80	\$28.80
TOTAL	\$228.00	\$9,029.50	\$0.00	\$416.43	\$0.00	\$1,629.74	\$11,303.67

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-02-03-R1-6****Subject: ALPHA Fund****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

claims with unpd indem 16 divide by # claims with payable indem 52 = 0.30769

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 8,768.30 divide by # of claims with obligation to pay indem. 52
Avg Unpd Ind = \$ 168.62C. Severity Rate

Avg Unpd Indem \$ 168.62 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.90554

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.30769 X Severity rate 0.90554 X modifier of 2
= 0.55726**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 9 divide by # with TD payments 49
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 9 divide by Totals 49 =
0.18367**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 4 divide by # with first PD 27
claims with late first VRMA 1 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 0
Totals 5 divide by Totals 31 =
0.16129**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 21 divide by # with subsequent payments 49 =
0.42857**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 7 divide by # requiring notices 27
claims with VR potential eligibility notice violations 11 divide by # requiring notices 16
Totals 18 divide by Totals 43 =
0.41860**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.74940**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	52
Indemnity	52
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-02-03-R1-6**Subject: ALPHA Fund****Location: Rancho Cordova Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	12	\$2,625	\$2,625	\$0	\$0		x
2	3	\$175	\$175	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	24	\$2,725	\$2,725	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	11	\$4,300	\$4,300	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	6	\$2,300	\$2,300	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	7	\$2,450	\$2,450	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	22	\$1,525	\$1,525	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	86	\$16,300	\$16,300	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SAC-02-03-R1-6

Subject: ALPHA Fund

Location: Rancho Cordova Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$178.49			\$178.49
2	\$832.28			\$83.22			\$915.50
3				\$78.00			\$78.00
4				\$228.68			\$228.68
5				\$127.80			\$127.80
6				\$42.00			\$42.00
7				\$85.91			\$85.91
8				\$42.00			\$42.00
9				\$151.40			\$151.40
10	\$46.00			\$4.60			\$50.60
11	\$210.00						\$210.00
12	\$171.08	\$810.00		\$308.11			\$1,289.19
13	\$260.90			\$13.11			\$274.01
14				\$89.74			\$89.74
15				\$98.00			\$98.00
16	\$4,400.91			\$506.07			\$4,906.98
TOTAL	\$5,921.17	\$810.00	\$0.00	\$2,037.13	\$0.00	\$0.00	\$8,768.30

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-02-03-R1-5****Subject: American Commercial Claims Administrators, Inc.****Location: San Francisco****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	14	divide by # claims with payable indem	59	=	0.23729
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 1,652.57	divide by	# of claims with obligation to pay indem.	59	
			Avg Unpd Ind =	\$ 28.01	

C. Severity Rate

Avg Unpd Indem	\$ 28.01	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.15042
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.23729	X	Severity rate	0.15042	X	modifier of	2	
						=		0.07139

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	13	divide by # with TD payments	57	
# claims with late first SC notice	1	divide by # with salary continuation	1	
Totals	14	divide by	Totals	58
				=
				0.24138

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	2	divide by # with first PD	12	
# claims with late first VRMA	0	divide by # with first VRMA	4	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	2	divide by	Totals	16
				=
				0.12500

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	12	divide by # with subsequent payments	42	=
				0.28571

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	3	divide by # requiring notices	45	
# claims with VR potential eligibility notice violations	2	divide by # requiring notices	5	
Totals	5		Totals	50
				=
				0.10000

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82348**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	62
Indemnity	59
Medical Only	0
Denied	0
Complaints	3
Additional	0

Audit No: SFO-02-03-R1-5**Subject: American Commercial Claims
Administrators****Location: San Francisco****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	14	\$700	\$700	\$0	\$0		x
2	2	\$175	\$175	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	16	\$1,380	\$1,380	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	1	\$40	\$40	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$900	\$900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$800	\$800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	5	\$1,250	\$1,250	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	16	\$1,325	\$1,325	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	60	\$6,670	\$6,670	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SFO-02-03-R1-1

Subject: American Commercial Claims Administrators, Inc.

Location: San Francisco

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1		\$20.00				\$2.00	\$22.00
2	\$243.92			\$201.33			\$445.25
3	\$450.00			\$40.11			\$490.11
4	\$128.76						\$128.76
5				\$56.00			\$56.00
6	\$39.47						\$39.47
7	\$16.28						\$16.28
8	\$67.46			\$122.23			\$189.69
9				\$73.81			\$73.81
10				\$23.00			\$23.00
11				\$25.20			\$25.20
12	\$63.13						\$63.13
13				\$48.00			\$48.00
14				\$31.87			\$31.87
TOTAL	\$1,009.02	\$20.00	\$0.00	\$621.55	\$0.00	\$2.00	\$1,652.57

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-01-03-R1-5****Subject: Applied Risk Services****Location: San Francisco****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

claims with unpd indem 4 divide by # claims with payable indem 56 = 0.07143

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 1,849.53 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 33.03C. Severity Rate

Avg Unpd Indem \$ 33.03 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.17737

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.07143 X Severity rate 0.17737 X modifier of 2
= 0.02534**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 9 divide by # with TD payments 49
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 9 divide by Totals 49 =
0.18367**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 2 divide by # with first PD 9
claims with late first VRMA 0 divide by # with first VRMA 3
claims with late first DB 0 divide by # with first DB paid 0
Totals 2 divide by Totals 12 =
0.16667**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 5 divide by # with subsequent payments 40 =
0.12500**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 3 divide by # requiring notices 19
claims with VR potential eligibility notice violations 5 divide by # requiring notices 6
Totals 8 divide by Totals 25 =
0.32000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82068**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-01-03-R1-5**Subject: Applied Risk Services****Location: San Francisco****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	9	\$615	\$615	\$0	\$0		x
2	2	\$920	\$920	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,395	\$1,395	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	5	\$1,800	\$1,800	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$900	\$900	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	37	\$6,830	\$6,830	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-01-03-R1-5**Subject: Applied Risk Services****Location: San Francisco****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	9	\$615	\$615	\$0	\$0		x
2	2	\$920	\$920	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,395	\$1,395	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	5	\$1,800	\$1,800	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$900	\$900	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	37	\$6,830	\$6,830	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Applied Risk Services

Type: TPA

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-01-03-R1-1****Subject: Argonaut Insurance Company****Location: Brea****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 10 divide by # claims with payable indem 55 = 0.18182

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 12,298.27 divide by # of claims with obligation to pay indem. 55
Avg Unpd Ind = \$ 223.60**C. Severity Rate**

Avg Unpd Indem \$ 223.60 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.20082

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.18 X Severity rate 1.20 X modifier of 2
= 0.43666**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 15 divide by # with TD payments 53
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 15 divide by Totals 53 =
0.28302**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 13 divide by # with first PD 25
claims with late first VRMA 0 divide by # with first VRMA 9
claims with late first DB 0 divide by # with first DB paid 0
Totals 13 divide by Totals 34 =
0.38235**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 13 divide by # with subsequent payments 46 =
0.28261**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 18 divide by # requiring notices 48
claims with VR potential eligibility notice violations 10 divide by # requiring notices 18
Totals 28 divide by Totals 66 =
0.42424**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.80889**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-01-03-R1-1**Subject: Argonaut Insurance Company****Location: Brea****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	17	\$3,355	\$3,355	\$0	\$0		x
2	13	\$2,735	\$2,735	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	33	\$3,620	\$3,620	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	10	\$3,100	\$3,100	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$5,700	\$5,700	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	4	\$400	\$400	\$0	\$0		x
18 b	4	\$1,750	\$1,750	\$0	\$0		x
18 c	1	\$1,000	\$1,000	\$0	\$0		x
18 d	8	\$775	\$775	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	108	\$22,435	\$22,435	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: AHM-01-03-R1-1

Subject: Argonaut Insurance Company

Location: Brea

Type: INS

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$311.66			\$117.17			\$428.83
2	\$224.67						\$224.67
3	\$86.00			\$8.60			\$94.60
4	\$53.74			\$7.20			\$60.94
5		\$4,687.16	\$1,759.01	\$468.72			\$6,914.89
6		\$1,000.00					\$1,000.00
7				\$756.00			\$756.00
8				\$73.14			\$73.14
9		\$1,799.77		\$130.79			\$1,930.56
10		\$560.00		\$254.64			\$814.64
TOTAL	\$676.07	\$8,046.93	\$1,759.01	\$1,816.26	\$0.00	\$0.00	\$12,298.27

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-13-03-R2-5****Subject: Arkansas Claims Management, Inc.****Location: Sacramento, CA****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 18 divide by # claims with payable indem 58 = 0.31034

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 13,149.42 divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ 226.71**C. Severity Rate**

Avg Unpd Indem \$ 226.71 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.21752

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.31034 X Severity rate 1.21752 X modifier of 2
= 0.75570**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 23 divide by # with TD payments 53
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 23 divide by Totals 53 =
0.43396**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 8 divide by # with first PD 28
claims with late first VRMA 1 divide by # with first VRMA 11
claims with late first DB 0 divide by # with first DB paid 0
Totals 9 divide by Totals 39 =
0.23077**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 21 divide by # with subsequent payments 40 =
0.52500**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 17 divide by # requiring notices 35
claims with VR potential eligibility notice violations 18 divide by # requiring notices 26
Totals 35 divide by Totals 61 =
0.57377**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.51920**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: SAC-13-03-R2-5****Subject: Arkansas Claims Management, Inc.****Location: Sacramento****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	30	divide by # claims with payable indem	131	=	0.22901
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 20,927.53	divide by	# of claims with obligation to pay indem.	131	
			Avg Unpd Ind =	\$ 159.75	

C. Severity Rate

Avg Unpd Ind.	\$ 159.75	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.85791
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.22901	X	Severity rate	0.85791	X	modifier of	2	
						=		0.39294

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	49	divide by # with TD payments	123	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	49	divide by	Totals	123
				=
				0.39837

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	17	divide by # with first PD	59	
# claims with late first VRMA	1	divide by # with first VRMA	16	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	18	divide by	Totals	75
				=
				0.24000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	41	divide by # with subseq payments	97	=
				0.42268

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	34	divide by # requiring notices	77	
# claims with VR potential eligibilty notice violations	27	divide by # requiring notices	48	
Totals	61		Totals	125
				=
				0.48800

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****1.94199**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	135
Indemnity	131
Medical Only	0
Denied	0
Complaints	4
Additional	0

Audit No: SAC-13-03-R2-5**Subject: Arkansas Claims Management****Location: Sacramento****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	53	\$10,560	\$0	\$10,560	\$0		x
2	18	\$5,880	\$0	\$5,880	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	104	\$12,045	\$6,640	\$5,405	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	26	\$9,800	\$9,800	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	36	\$13,900	\$13,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	21	\$6,600	\$0	\$6,600	\$0		x
18 b	4	\$1,600	\$0	\$1,600	\$0		x
18 c	1	\$1,000	\$0	\$1,000	\$0		x
18 d	18	\$1,425	\$0	\$1,425	\$0		x
18 e	2	\$2,000	\$0	\$2,000	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	283	\$64,810	\$30,340	\$34,470	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: SAC-13-03-R2-5

Subject: Arkansas Claims Management, Inc.

Location: Sacramento Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$617.22						\$617.22
2	\$429.36						\$429.36
3	\$137.70			\$38.97			\$176.67
4				\$438.86			\$438.86
5	\$61.51						\$61.51
6	\$111.42						\$111.42
7	\$72.00						\$72.00
8	\$936.48			\$132.07			\$1,068.55
9				\$101.26			\$101.26
10			\$531.43				\$531.43
11	\$1,376.00			\$423.60			\$1,799.60
12	\$396.18			\$106.67			\$502.85
13	\$490.50			\$49.05			\$539.55
14	\$667.79			\$85.56			\$753.35
15				\$74.67			\$74.67
16		\$54.27				\$2.57	\$56.84
17				\$210.00			\$210.00
18	\$419.18			\$204.67			\$623.85
19				\$320.00			\$320.00
20	\$564.08			\$37.03			\$601.11
21		\$6,041.20		\$604.12			\$6,645.32
SUBTOTAL	\$6,279.42	\$6,095.47	\$531.43	\$2,826.53	\$0.00	\$2.57	\$15,735.42

Individual Exhibit 4
Page 2 of 2

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty interest, or other	Total
22				\$28.00			\$28.00
23	\$1,342.39						\$1,342.39
24	\$25.77						\$25.77
25		\$420.00					\$420.00
26		\$1,521.20		\$152.12		\$84.19	\$1,757.51
27			\$524.04				\$524.04
28	\$252.04						\$252.04
29	\$81.22						\$81.22
30	\$761.14						\$761.14

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-05-03-R1-6****Subject: Association of California Water Agencies / JPA****Location: Citrus Heights****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 6 divide by # claims with payable indem 50 = 0.12000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 1,178.27 divide by # of claims with obligation to pay indem. 50
Avg Unpd Ind = \$ 23.57**C. Severity Rate**

Avg Unpd Indem \$ 23.57 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.12655

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12000 X Severity rate 0.12655 X modifier of 2
= 0.03037**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 3 divide by # with TD payments 47
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 3 divide by Totals 47 =
0.06383**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 0
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 0 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 4 divide by # with subsequent payments 37 =
0.10811**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 2 divide by # requiring notices 42
claims with VR potential eligibility notice violations 1 divide by # requiring notices 7
Totals 3 divide by Totals 49 =
0.06122**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.26354**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	50
Indemnity	0
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-05-03-R1-6**Subject: Association of California Water
Agencies / JPA****Location: Citrus Heights****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total S Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	4	\$250	\$250	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	2	\$50	\$50	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	1	\$400	\$400	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	2	\$500	\$500	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	5	\$600	\$600	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	15	\$2,000	\$2,000	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Citrus Heights **Type:** TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$141.61	\$577.15		\$11.56			\$153.17
2	\$204.90			\$204.90			
3	\$74.50			\$78.72			
4				\$634.86			
5	\$66.85			\$66.85			
6	\$39.77			\$39.77			
			</				

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-12-03-R1-5****Subject: Buckeye Claims Administrators****Location: Cerritos****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	16	divide by # claims with payable indem	55	=	0.29091
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$7,702.75	divide by	# of claims with obligation to pay indem.	55	
			Avg Unpd Ind =	\$	140.05

C. Severity Rate

Avg Unpd Indem	\$	140.05	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.75211
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.29091	X	Severity rate	0.75211	X	modifier of	2	
						=		0.43759

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	18	divide by # with TD payments	37	
# claims with late first SC notice	6	divide by # with salary continuation	13	
Totals	24	divide by	Totals	50
				=
				0.48000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	1	divide by # with first PD	15	
# claims with late first VRMA	2	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	20
				=
				0.15000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	22	divide by # with subsequent payments	44	=
				0.50000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	26	
# claims with VR potential eligibility notice violations	7	divide by # requiring notices	10	
Totals	15		Totals	36
				=
				0.41667

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.98426**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-12-03-R1-5**Subject: Buckeye Claims Administrators****Location: Cerritos****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	20	\$3,905	\$3,905	\$0	\$0		x
2	1	\$50	\$50	\$0	\$0		x
3	2	\$825	\$825	\$0	\$0		x
4	55	\$5,060	\$5,060	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	1	\$100	\$100	\$0	\$0		x
7	5	\$345	\$345	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$2,100	\$2,100	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$2,800	\$2,800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	8	\$2,750	\$2,750	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	13	\$1,000	\$1,000	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	119	\$19,135	\$19,135	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-12-03-R1-5

Subject: Buckeye Claims Administrators

Location: Cerritos

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$118.40			\$118.40
2				\$41.15			\$41.15
3				\$186.96			\$186.96
4				\$27.00			\$27.00
5				\$427.29			\$427.29
6		\$640.00		\$64.00			\$704.00
7				\$18.22			\$18.22
8	\$4,642.63						\$4,642.63
9	\$184.60			\$8.45			\$193.05
10				\$112.46			\$112.46
11				\$84.53			\$84.53
12	\$297.20			\$29.72			\$326.92
13	\$45.74						\$45.74
14	\$20.28			\$2.03			\$22.31
15	\$708.40			\$1.32			\$709.72
16	\$38.52			\$3.85			\$42.37
TOTAL	\$5,937.37	\$640.00	\$0.00	\$1,125.38	\$0.00	\$0.00	\$7,702.75

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-11-03-R1-5****Subject: Cambridge Integrated Services Group, Inc.****Location: San Diego****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	10	divide by # claims with payable indem	52	=	0.19231
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 9,487.87	divide by	# of claims with obligation to pay indem.	52	
			Avg Unpd Ind =	\$ 182.46	

C. Severity Rate

Avg Unpd Indem	\$ 182.46	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.97986
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.19231	X	Severity rate	0.97986	X	modifier of	2	
						=		0.37687

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	8	divide by # with TD payments	36	
# claims with late first SC notice	3	divide by # with salary continuation	9	
Totals	11	divide by	Totals	45
				=
				0.24444

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	2	divide by # with first PD	28	
# claims with late first VRMA	2	divide by # with first VRMA	9	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	37
				=
				0.10811

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	9	divide by # with subsequent payments	35	=
				0.25714

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	40	
# claims with VR potential eligibility notice violations	5	divide by # requiring notices	16	
Totals	9		Totals	56
				=
				0.16071

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.14728**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	52
Indemnity	52
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-11-03-R1-5**Subject: Cambridge Integrated Services Group****Location: San Diego****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	8	\$1,175	\$1,175	\$0	\$0		x
2	2	\$130	\$130	\$0	\$0		x
3	2	\$50	\$50	\$0	\$0		x
4	22	\$1,145	\$1,145	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	3	\$130	\$130	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	5	\$1,700	\$1,700	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	4	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	5	\$2,550	\$2,550	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	1	\$300	\$300	\$0	\$0		x
18 d	6	\$575	\$575	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	60	\$9,155	\$9,155	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-11-03-R1-5

Subject: Cambridge Integrated Services Group, Inc.

Location: San Diego

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$356.90			\$153.17			\$510.07
2				\$59.14			\$59.14
3	\$794.44						\$794.44
4						\$123.55	\$123.55
5	\$5,089.71			\$508.97			\$5,598.68
6				\$255.00			\$255.00
7				\$89.66			\$89.66
8				\$56.62			\$56.62
9	\$156.99	\$90.70	\$496.18	\$79.64			\$823.51
10	\$1,076.90			\$100.30			\$1,177.20
TOTAL	\$7,474.94	\$90.70	\$496.18	\$1,302.50	\$0.00	\$123.55	\$9,487.87

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-09-03-R1-5****Subject: Carpenter Claims Service****Location: Madera****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 1 divide by # claims with payable indem 14 = 0.07143

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 39.98 divide by # of claims with obligation to pay indem. 14
Avg Unpd Ind = \$ 2.86**C. Severity Rate**

Avg Unpd Indem \$ 2.86 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.01534

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.07143 X Severity rate 0.01534 X modifier of 2
= 0.00219**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 13
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 1 divide by Totals 13 =
0.07692**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 2
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 2 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 11 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 11
claims with VR potential eligibility notice violations 0 divide by # requiring notices 1
Totals 0 divide by Totals 12
= 0.00000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.07911**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	14
Indemnity	0
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-09-03-R1-5**Subject: Carpenter Claims Service****Location: Madera****Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$25	\$25	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$100	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	2	\$125	\$125	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$36.35			\$3.63			\$39.98
TOTAL	\$36.35	\$0.00	\$0.00	\$3.63	\$0.00	\$0.00	\$39.98

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-03-03-R1-1****Subject: Chubb Group of Insurance Companies****Location: Pleasanton****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	8	divide by # claims with payable indem	53	=	0.15094
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 14,477.36	divide by	# of claims with obligation to pay indem.	53	
			Avg Unpd Ind =	\$ 273.16	

C. Severity Rate

Avg Unpd Indem	\$ 273.16	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.46693
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.15094	X	Severity rate	1.46693	X	modifier of	2	
						=		0.44285

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	18	divide by # with TD payments	48	
# claims with late first SC notice	2	divide by # with salary continuation	3	
Totals	20	divide by	Totals	51
				=
				0.39216

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	5	divide by # with first PD	21	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	6	divide by	Totals	26
				=
				0.23077

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	17	divide by # with subsequent payments	38	=
				0.44737

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	12	divide by # requiring notices	39	
# claims with VR potential eligibility notice violations	11	divide by # requiring notices	18	
Totals	23		Totals	57
				=
				0.40351

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.91665**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	54
Indemnity	53
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: SFO-03-03-R1-1**Subject: Chubb Group of Insurance Companies****Location: Pleasanton****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	19	\$1,035	\$1,035	\$0	\$0		x
2	5	\$1,760	\$1,760	\$0	\$0		x
3	1	\$25	\$25	\$0	\$0		x
4	43	\$2,945	\$2,945	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	2	\$105	\$105	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	10	\$3,600	\$3,600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	12	\$4,400	\$4,400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$800	\$800	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	1	\$1,000	\$1,000	\$0	\$0		x
18 d	9	\$525	\$525	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	106	\$16,595	\$16,595	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Chubb Group of Insurance Companies

Type: INS

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total	
1	\$140.00	\$1,652.00	\$10,253.46	\$473.20			\$2,125.20	
2				\$273.00			\$413.00	
3				\$252.00			\$252.00	
4				\$34.00			\$34.00	
5	\$985.69			\$303.06			\$82.83	\$10,336.29
6							\$985.69	
7							\$303.06	
8							\$28.12	\$28.12

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-14-03-R1-6****Subject: City and County of San Francisco****Location: San Francisco****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 58 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 5 divide by # with TD payments 17
claims with late first SC notice 7 divide by # with salary continuation 38
Totals 12 divide by Totals 55 =
0.21818**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 15
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 15 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 2 divide by # with subsequent payments 28 =
0.07143**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 9 divide by # requiring notices 32
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 10 divide by Totals 33
= 0.30303**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.59264**

Individual Exhibit 4

Type: SI

[illegible]

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-02-03-R1-6****Subject: City of Glendale****Location: Glendale****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	5	divide by # claims with payable indem	51	=	0.09804
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 9,865.58	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 193.44	

C. Severity Rate

Avg Unpd Indem	\$ 193.44	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.03884
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.09804	X	Severity rate	1.03884	X	modifier of	2	
						=		0.20369

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	13	divide by # with salary continuation	50	
Totals	13	divide by	Totals	50
				=
				0.26000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	13	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	14
				=
				0.28571

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	12	=
				0.25000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	43	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	4		Totals	46
				=
				0.08696

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.08637**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: VNO-02-03-R1-6**Subject: City of Glendale****Location: Glendale****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	4	\$1,610	\$1,610	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$1,440	\$1,440	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	13	\$745	\$745	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	4	\$1,500	\$1,500	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$100	\$0	\$0		x
18 b	3	\$1,700	\$1,700	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$400	\$400	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	33	\$7,595	\$7,595	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$43.36	\$48.57		\$937.43			\$986.00
2		\$3,988.00		\$686.80			\$4,674.80
3		\$175.71		\$909.71			\$1,085.42
4		\$2,720.00		\$356.00			\$3,076.00
5		\$0.00		\$0.00			\$43.36
TOTAL	\$43.36	\$6,932.28	\$0.00	\$2,889.94	\$0.00	\$0.00	\$9,865.58

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-09-03-R1-6****Subject: City of Huntington Beach****Location: Huntington Beach****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	6	divide by # claims with payable indem	53	=	0.11321
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 1,216.26	divide by	# of claims with obligation to pay indem.	53	
			Avg Unpd Ind =	\$ 22.95	

C. Severity Rate

Avg Unpd Indem	\$ 22.95	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.12324
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.11	X	Severity rate	0.12	X	modifier of	2	
						=		0.02790

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	1	divide by # with salary continuation	46	
Totals	1	divide by	Totals	46
				=
				0.02174

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	7	divide by # with first PD	21	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	7	divide by	Totals	21
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	5	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	11	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	4	
Totals	14		Totals	48
				=
				0.29167

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.67464**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	53
Indemnity	53
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-09-03-R1-6**Subject: City of Huntington Beach****Location: Huntington Beach Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	7	\$830	\$830	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	1	\$20	\$20	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,500	\$1,500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	11	\$5,100	\$5,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	6	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	29	\$8,250	\$8,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Huntington Beach

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$84.00			\$84.00
2				\$168.00			\$168.00
3		\$113.40		\$220.86			\$334.26
4				\$210.00			\$210.00
5				\$210.00			\$210.00
6				\$210.00			\$210.00
TOTAL	\$0.00	\$113.40	\$0.00	\$1,102.86	\$0.00	\$0.00	\$1,216.26

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No:** AHM-05-03-R1-6**Subject:** City of Long Beach**Location:** Long Beach**1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

claims with unpd indem 4 divide by # claims with payable indem 56 = 0.07143

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$853.25 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 15.24C. Severity Rate

Avg Unpd Indem \$ 15.24 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.08182

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.07143 X Severity rate 0.08182 X modifier of 2
= 0.01169**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 3
claims with late first SC notice 5 divide by # with salary continuation 51
Totals 6 divide by Totals 54 =
0.11111**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 6 divide by # with first PD 22
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 6 divide by Totals 23 =
0.26087**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 1 divide by # with subsequent payments 23 =
0.04348**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 18 divide by # requiring notices 51
claims with VR potential eligibility notice violations 6 divide by # requiring notices 9
Totals 24 divide by Totals 60
= 0.40000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82715**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-05-03-R1-6**Subject: City of Long Beach****Location: Long Beach****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,295	\$1,295	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	1	\$160	\$160	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	5	\$120	\$120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$7,200	\$7,200	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$350	\$350	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$11,075	\$11,075	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Long Beach

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$49.00			\$49.00
2				\$617.14			\$617.14
3				\$157.71			\$157.71
4				\$29.40			\$29.40
TOTAL	\$0.00	\$0.00	\$0.00	\$853.25	\$0.00	\$0.00	\$853.25

Calendar Year: 2003

Individual Exhibit 1A

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 19 divide by # claims with payable indem 58 = 0.32759

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. = \$ 14,521.47 divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ 250.37

C. Severity Rate

Avg Unpd Indem \$ 250.37 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.34456

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.32759 X Severity rate 1.34456 X modifier of 2
= 0.88092

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	6	
# claims with late first SC notice	10	divide by # with salary continuation	39	
Totals	13	divide by	Totals 45	=

0.28889

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	13	divide by # with first PD	18	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	13	divide by	Totals 21	=

0.61905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subsequent payments 7 divide by # with subsequent payments 21 =
0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	15	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	9	divide by # requiring notices	9	
Totals	24		Totals 53	

= 0.45283

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

2.57502

Calendar Year : 2003

Individual Exhibit 1B

Full Compliance Audit Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 26 divide by # claims with payable indem 133 = 0.19549

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem = \$26,298.43 # of claims with obligation to pay indem. 133
Avg Unpd Ind = \$ 197.73

C. Severity Rate

Avg Unpd Ind. \$ 197.73 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.06188

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.19549 X Severity rate 1.06188 X modifier of 2
= 0.41517

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	5	divide by # with TD payments	12	
# claims with late first SC notice	23	divide by # with salary continuation	96	
Totals	28	divide by	Totals	108
				=
				0.25926

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	17	divide by # with first PD	40	
# claims with late first VRMA	0	divide by # with first VRMA	10	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	17	divide by	Totals	50
				=
				0.34000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subseq payments 13 divide by # with subseq payments 45 =
0.28889

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	30	divide by # requiring notices	102	
# claims with VR potential eligibilty notice violations	14	divide by # requiring notices	19	
Totals	44		Totals	121
				=
				0.36364

FULL COMPLIANCE AUDIT PERFORMANCE RATING

Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score

1.66696

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	135
Indemnity	133
Medical Only	0
Denied	0
Complaints	2
Additional	0

Audit No: VNO-16-03-R2-6**Subject: City of Los Angeles****Location: Los Angeles****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	5	\$1,800	\$0	\$0	\$1,800		x
2	18	\$5,830	\$0	\$0	\$5,830		x
3	0	\$0	\$0	\$0	\$0		x
4	22	\$3,585	\$525	\$0	\$3,060		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	23	\$1,120	\$1,120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	14	\$5,000	\$5,000	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	30	\$11,600	\$11,600	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	11	\$4,800	\$0	\$0	\$4,800		x
18 b	6	\$1,950	\$0	\$0	\$1,950		x
18 c	1	\$750	\$0	\$0	\$750		x
18 d	23	\$2,000	\$0	\$0	\$2,000		x
18 e	1	\$100	\$0	\$0	\$100		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	154	\$38,535	\$18,245	\$0	\$20,290		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$126.00						\$126.00
2	\$1,220.61	\$314.69		\$153.53			\$1,688.83
3				\$98.00			\$98.00
4	\$420.00						\$420.00
5	\$136.00					\$15.60	\$151.60
6	\$490.00	\$1,760.00		\$176.00			\$2,426.00
7				\$201.57			\$201.57
8				\$126.00			\$126.00
9				\$160.00			\$160.00
10				\$478.42			\$478.42
11				\$40.00			\$40.00
12			\$396.00				\$396.00
13	\$280.00						\$280.00
14				\$862.11			\$862.11
15	\$70.00						\$70.00
16	\$420.00			\$210.00			\$630.00
17		\$4,480.00		\$448.00			\$4,928.00
18	\$2,450.00			\$381.28			\$2,831.28
19	\$1,120.00			\$308.14			\$1,428.14
20	\$3,570.00						\$3,570.00
21		\$2,380.00		\$238.00			\$2,618.00
SUBTOTAL	\$10,302.61	\$8,934.69	\$396.00	\$3,881.05	\$0.00	\$15.60	\$23,529.95

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-11-03-R1-6****Subject: City of Modesto****Location: Modesto****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	2	divide by # claims with payable indem	47	=	0.04255
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$398.73	divide by	# of claims with obligation to pay indem.	47	
			Avg Unpd Ind =	\$	8.48

C. Severity Rate

Avg Unpd Indem	\$	8.48	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.04556
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.04255	X	Severity rate	0.04556	X	modifier of	2	
						=		0.00388

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	4	
# claims with late first SC notice	7	divide by # with salary continuation	34	
Totals	7	divide by	Totals	38
				=
				0.18421

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	26	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	29
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	28	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	34	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	7		Totals	40
				=
				0.17500

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.36309**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	47
Indemnity	47
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-11-03-R1-6**Subject: City of Modesto****Location: Modesto****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	8	\$250	\$250	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$700	\$700	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$200	\$200	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	16	\$2,250	\$2,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Modesto

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$208.00	\$0.00	\$0.00	\$20.80	\$0.00	\$0.00	\$228.80
2	\$164.45	\$0.00	\$0.00	\$5.48	\$0.00	\$0.00	\$169.93
TOTAL	\$372.45	\$0.00	\$0.00	\$26.28	\$0.00	\$0.00	\$398.73

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-03-03-R1-6****Subject: City of Richmond Risk Management****Location: Richmond****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	1	divide by # claims with payable indem	51	=	0.01961
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 56.00	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 1.10	

C. Severity Rate

Avg Unpd Indem	\$ 1.10	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.00590
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.01961	X	Severity rate	0.00590	X	modifier of	2	
						=		0.00023

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	2	
# claims with late first SC notice	17	divide by # with salary continuation	48	
Totals	18	divide by	Totals	50
				=
				0.36000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	11
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	9	=
				0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	1		Totals	41
				=
				0.02439

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.71795**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-03-03-R1-6**Subject: City of Richmond Risk Management****Location: Richmond****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$235	\$235	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	19	\$945	\$945	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$100	\$100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	26	\$1,455	\$1,455	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Richmond **Type:** SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$56.00			\$56.00
TOTAL	\$0.00	\$0.00	\$0.00	\$56.00	\$0.00	\$0.00	\$56.00

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-02-03-R1-6****Subject: Contra Costa County Schools Insurance Group****Location: Pleasant Hill****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	8	divide by # claims with payable indem	56	=	0.14286
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 7,952.98	divide by	# of claims with obligation to pay indem.	56	
			Avg Unpd Ind =	\$ 142.02	

C. Severity Rate

Avg Unpd Indem	\$ 142.02	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.76267
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.14286	X	Severity rate	0.76267	X	modifier of	2	
						=		0.21791

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	8	
# claims with late first SC notice	14	divide by # with salary continuation	43	
Totals	15	divide by	Totals	51
				=
				0.29412

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	6	divide by # with first PD	20	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	6	divide by	Totals	21
				=
				0.28571

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	18	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	0	divide by # requiring notices	34	
# claims with VR potential eligibility notice violations	2	divide by # requiring notices	4	
Totals	2		Totals	38
				=
				0.05263

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.85037**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-02-03-R1-6**Subject: Contra Costa County Schools
Insurance Group****Location: Pleasant Hill****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,305	\$1,305	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	2	\$150	\$150	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	15	\$610	\$610	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$400	\$400	\$0	\$0		x
18 b	1	\$1,000	\$1,000	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$625	\$625	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	36	\$4,640	\$4,640	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Contra Costa County Schools Insurance Group

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$96.00			\$96.00
2				\$124.00			\$124.00
3				\$557.71			\$557.71
4	\$107.73						\$107.73
5	\$575.01			\$27.45			\$602.46
6		\$5,485.51		\$548.57			\$6,034.08
7				\$298.00			\$298.00
8				\$133.00			\$133.00
TOTAL	\$682.74	\$5,485.51	\$0.00	\$1,784.73	\$0.00	\$0.00	\$7,952.98

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-17-03-T1-6****Subject: County of Riverside****Location: Riverside****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 3 divide by # claims with payable indem 55 = 0.05455

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$578.90 divide by # of claims with obligation to pay indem. 55
Avg Unpd Ind = \$ 10.53**C. Severity Rate**

Avg Unpd Indem \$ 10.53 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.05652

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.05455 X Severity rate 0.05652 X modifier of 2
= 0.00617**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 16
claims with late first SC notice 24 divide by # with salary continuation 47
Totals 24 divide by Totals 63 =
0.38095**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 5 divide by # with first PD 19
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 2
Totals 5 divide by Totals 25 =
0.20000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 31 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 7 divide by # requiring notices 38
claims with VR potential eligibility notice violations 2 divide by # requiring notices 7
Totals 9 divide by Totals 45 =
0.20000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.78712**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-17-03-T1-6**Subject: County of Riverside****Location: Riverside****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	5	\$1,145	\$1,145	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	24	\$830	\$830	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$600	\$600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$1,940	\$1,940	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$300	\$300	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$4,815	\$4,815	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-16-03-R1-6****Subject: County of San Diego****Location: San Diego****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	11	divide by # claims with payable indem	57	=	0.19298
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 7,199.50	divide by	# of claims with obligation to pay indem.	57	
			Avg Unpd Ind =	\$ 126.31	

C. Severity Rate

Avg Unpd Indem	\$ 126.31	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.67830
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.19298	X	Severity rate	0.67830	X	modifier of	2	
						=		0.26180

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	8	
# claims with late first SC notice	7	divide by # with salary continuation	30	
Totals	10	divide by	Totals	38
				=
				0.26316

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	37	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	5	divide by	Totals	42
				=
				0.11905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	6	divide by # with subsequent payments	34	=
				0.17647

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	50	
# claims with VR potential eligibility notice violations	7	divide by # requiring notices	10	
Totals	8		Totals	60
				=
				0.13333

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.95381**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	58
Indemnity	57
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: LAO-16-03-R1-6**Subject: County of San Diego****Location: San Diego****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	3	\$175	\$175	\$0	\$0		x
2	4	\$1,540	\$1,540	\$0	\$0		x
3	1	\$100	\$100	\$0	\$0		x
4	7	\$430	\$430	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	7	\$390	\$390	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	7	\$2,600	\$2,600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$400	\$400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	4	\$1,500	\$1,500	\$0	\$0		x
18 b	2	\$600	\$600	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	43	\$8,335	\$8,335	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-16-03-R1-6

Subject: County of San Diego

Location: San Diego

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$139.17			\$13.92			\$153.09
2	\$420.00						\$420.00
3				\$91.43			\$91.43
4				\$101.55			\$101.55
5	\$324.19			\$123.19			\$447.38
6				\$62.00			\$62.00
7	\$3,610.48						\$3,610.48
8				\$40.00			\$40.00
9		\$438.57		\$43.86			\$482.43
10		\$1,602.85		\$160.29			\$1,763.14
11				\$28.00			\$28.00
TOTAL	\$4,493.84	\$2,041.42	\$0.00	\$664.24	\$0.00	\$0.00	\$7,199.50

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-13-03-R1-1****Subject: Crum and Forster Insurance****Location: Plano, TX****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 7 divide by # claims with payable indem 56 = 0.12500

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 6,338.38 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 113.19**C. Severity Rate**

Avg Unpd Indem \$ 113.19 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.60784

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12500 X Severity rate 0.60784 X modifier of 2
= 0.15196**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 23 divide by # with TD payments 54
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 23 divide by Totals 54 =
0.42593**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 3 divide by # with first PD 12
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 0
Totals 3 divide by Totals 16 =
0.18750**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 10 divide by # with subsequent payments 37 =
0.27027**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 5 divide by # requiring notices 20
claims with VR potential eligibility notice violations 8 divide by # requiring notices 12
Totals 13 divide by Totals 32 =
0.40625**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.44191**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-13-03-R1-1**Subject: Crum and Forster Insurance****Location: Plano, TX****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	25	\$2,985	\$2,985	\$0	\$0		x
2	3	\$1,220	\$1,220	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,645	\$1,645	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	8	\$2,300	\$2,300	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	5	\$1,900	\$1,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$1,300	\$1,300	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$250	\$250	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	1	\$500	\$500	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	63	\$12,500	\$12,500	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Crum and Forster Insurance

Type: Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$68.32						\$68.32
2				\$75.08			\$75.08
3	\$61.19						\$61.19
4				\$196.00			\$196.00
5		\$2,148.57		\$214.86			\$2,363.43
6						\$428.49	\$428.49
7	\$2,859.88			\$285.99			\$3,145.87
TOTAL	\$2,989.39	\$2,148.57	\$0.00	\$771.93	\$0.00	\$428.49	\$6,338.38

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	14	divide by # claims with payable indem	49	=	0.28571
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 15,583.25	divide by	# of claims with obligation to pay indem.	49	
			Avg Unpd Ind =	\$ 318.03	

C. Severity Rate

Avg Unpd Indem	\$ 318.03	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.70789
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.28571	X	Severity rate	1.70789	X	modifier of	2	
						=		0.97594

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	21	divide by # with TD payments	45	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	21	divide by	Totals	45
				=
				0.46667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	12
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	10	divide by # with subsequent payments	29	=
				0.34483

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	12	divide by # requiring notices	39	
# claims with VR potential eligibility notice violations	4	divide by # requiring notices	6	
Totals	16		Totals	45
				=
				0.35556

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.47632**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	27	divide by # claims with payable indem	91	=	0.29670
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 23,704.83	divide by	# of claims with obligation to pay indem.	91
			Avg Unpd Ind =	\$ 260.49

C. Severity Rate

Avg Unpd Ind.	\$ 260.49	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.39892
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.29670	X	Severity rate	1.39892	X	modifier of	2
						=	0.83013

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	36	divide by # with TD payments	83
# claims with late first SC notice	0	divide by # with salary continuation	0
Totals	36	divide by	Totals 83
			=
			0.43373

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	9	divide by # with first PD	23
# claims with late first VRMA	1	divide by # with first VRMA	5
# claims/late first death benefits	0	divide by # with first death ben paid	0
Totals	10	divide by	Totals 28
			=
			0.35714

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	22	divide by # with subseq payments	51	=
				0.43137

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	67
# claims with VR potential eligibilty notice violations	6	divide by # requiring notices	12
Totals	24	Totals	79
			=
			0.30380

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****2.35618**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	91
Indemnity	91
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-04-03-R2-5**Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessed	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	44	\$3,090	\$0	\$3,090	\$0		x
2	8	\$1,635	\$0	\$1,635	\$0		x
3	1	\$50	\$0	\$50	\$0		x
4	46	\$3,185	\$2,075	\$0	\$1,110		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$6,800	\$6,800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	15	\$2,650	\$0	\$2,650	\$0		x
18 b	8	\$3,400	\$0	\$3,400	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	40	\$2,700	\$0	\$2,700	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	186	\$25,410	\$10,775	\$13,525	\$1,110		

Administrative penalties waived pursuant to Labor Code Section 129.5(c)(1).

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova **Type: TPA**

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$492.40			\$112.76			\$605.16
2				\$32.00			\$32.00
3		\$6,240.00		\$656.00			\$6,896.00
4				\$522.70			\$522.70
5		\$660.00					\$660.00
6		\$38.50		\$3.85			\$42.35
7				\$83.20			\$83.20
8		\$120.00					\$120.00
9	\$1,680.00			\$693.00			\$2,373.00
10				\$280.00			\$280.00
11	\$36.20						\$36.20
12	\$264.97						\$264.97
13		\$840.00					\$840.00
14	\$190.44						\$190.44
15	\$210.00						\$210.00
16				\$375.16			\$375.16
17	\$257.01			\$20.09			\$277.10
18	\$70.00						\$70.00
19	\$80.91						\$80.91
20	\$144.00			\$217.40			\$361.40
21		\$6,008.00					\$6,008.00
SUBTOTAL	\$3,425.93	\$13,906.50	\$0.00	\$2,996.16	\$0.00	\$0.00	\$20,328.59

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty interest, or other	Total
22	\$210.00	\$1,460.00					\$210.00
23	\$62.74						\$62.74
24				\$112.00			\$112.00
25	\$210.00			\$627.69			\$837.69
26	\$280.00			\$42.00			\$322.00
27				\$371.81			\$1,831.81

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-04-03-R1-1****Subject: Federated Mutual Insurance****Location: Phoenix, AZ****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 3 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 3
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 2 divide by # with TD payments 3
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 2 divide by Totals 3 =
0.66667**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 0
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 0 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 1 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 1
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 1 divide by Totals 2 =
0.50000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.16667**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	3
Indemnity	3
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-04-03-R1-1**Subject: Federated Mutual Insurance****Location: Phoenix, AZ****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	1	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	3	\$575	\$575	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: INS

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-03-03-R1-5****Subject: Frank Gates Service Company****Location: El Dorado Hills****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	17	divide by # claims with payable indem	41	=	0.41463
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 3,594.78	divide by	# of claims with obligation to pay indem.	41	
			Avg Unpd Ind =	\$ 87.68	

C. Severity Rate

Avg Unpd Indem	\$ 87.68	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.47085
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.41463	X	Severity rate	0.47085	X	modifier of	2	
						=		0.39046

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	15	divide by # with TD payments	36	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	15	divide by	Totals	36
				=
				0.41667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	3	divide by # with first PD	10	
# claims with late first VRMA	0	divide by # with first VRMA	2	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	12
				=
				0.25000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	16	divide by # with subsequent payments	25	=
				0.64000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	23	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	11		Totals	29
				=
				0.37931

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.07644**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	41
Indemnity	41
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-03-03-R1-5**Subject: Frank Gates Service Company****Location: El Dorado Hills Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	15	\$2,685	\$2,685	\$0	\$0		x
2	3	\$1,020	\$1,020	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	54	\$4,080	\$4,080	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,200	\$1,200	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	8	\$2,900	\$2,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	9	\$1,200	\$1,200	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	22	\$1,575	\$1,575	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	115	\$15,060	\$15,060	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SAC-03-03-R1-5

Subject: Frank Gates Service Company

Location: El Dorado Hills

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$231.20			\$231.20
2		\$1,260.00					\$1,260.00
3				\$140.06			\$140.06
4	\$36.18						\$36.18
5				\$160.25			\$160.25
6				\$58.48			\$58.48
7	\$117.03			\$11.70			\$128.73
8				\$50.27			\$50.27
9	\$20.00			\$44.70			\$64.70
10				\$41.10			\$41.10
11				\$280.00			\$280.00
12	\$312.07			\$74.43			\$386.50
13	\$45.60			\$44.03			\$89.63
14	\$17.02			\$1.70			\$18.72
15	\$473.59			\$23.37			\$496.96
16				\$98.00			\$98.00
17	\$54.00						\$54.00
TOTAL	\$1,075.49	\$1,260.00	\$0.00	\$1,259.29	\$0.00	\$0.00	\$3,594.78

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-07-03-R1-6****Subject: Fresno Unified School District****Location: Fresno****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 3 divide by # claims with payable indem 54 = 0.05556

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 73.50 divide by # of claims with obligation to pay indem. 54
Avg Unpd Ind = \$ 1.36**C. Severity Rate**

Avg Unpd Indem \$ 1.36 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00731

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.05556 X Severity rate 0.00731 X modifier of 2
= 0.00081**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 3 divide by # with TD payments 7
claims with late first SC notice 5 divide by # with salary continuation 45
Totals 8 divide by Totals 52 =
0.15385**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 3 divide by # with first PD 14
claims with late first VRMA 1 divide by # with first VRMA 3
claims with late first DB 0 divide by # with first DB paid 0
Totals 4 divide by Totals 17 =
0.23529**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 5 divide by # with subsequent payments 15 =
0.33333**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 5 divide by # requiring notices 44
claims with VR potential eligibility notice violations 2 divide by # requiring notices 7
Totals 7 divide by Totals 51 =
0.13725**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.86054**

Individual Exhibit 4

Type: SI

[illegible]

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-02-03-R1-6****Subject: City of Glendale****Location: Glendale****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	5	divide by # claims with payable indem	51	=	0.09804
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 9,865.58	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 193.44	

C. Severity Rate

Avg Unpd Indem	\$ 193.44	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.03884
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.09804	X	Severity rate	1.03884	X	modifier of	2	
						=		0.20369

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	13	divide by # with salary continuation	50	
Totals	13	divide by	Totals	50
				=
				0.26000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	13	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	14
				=
				0.28571

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	12	=
				0.25000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	43	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	4		Totals	46
				=
				0.08696

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.08637**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: VNO-02-03-R1-6**Subject: City of Glendale****Location: Glendale****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	4	\$1,610	\$1,610	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$1,440	\$1,440	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	13	\$745	\$745	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	4	\$1,500	\$1,500	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$100	\$0	\$0		x
18 b	3	\$1,700	\$1,700	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$400	\$400	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	33	\$7,595	\$7,595	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$43.36	\$48.57		\$937.43			\$986.00
2		\$3,988.00		\$686.80			\$4,674.80
3		\$175.71		\$909.71			\$1,085.42
4		\$2,720.00		\$356.00			\$3,076.00
5		\$0.00		\$0.00			\$43.36
TOTAL	\$43.36	\$6,932.28	\$0.00	\$2,889.94	\$0.00	\$0.00	\$9,865.58

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-09-03-R1-6****Subject: City of Huntington Beach****Location: Huntington Beach****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 6 divide by # claims with payable indem 53 = 0.11321

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 1,216.26 divide by # of claims with obligation to pay indem. 53
Avg Unpd Ind = \$ 22.95**C. Severity Rate**

Avg Unpd Indem \$ 22.95 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.12324

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.11 X Severity rate 0.12 X modifier of 2
= 0.02790**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 0
claims with late first SC notice 1 divide by # with salary continuation 46
Totals 1 divide by Totals 46 =
0.02174**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 7 divide by # with first PD 21
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 7 divide by Totals 21 =
0.33333**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 5 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 11 divide by # requiring notices 44
claims with VR potential eligibility notice violations 3 divide by # requiring notices 4
Totals 14 divide by Totals 48
= 0.29167**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.67464**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	53
Indemnity	53
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-09-03-R1-6**Subject: City of Huntington Beach****Location: Huntington Beach Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	7	\$830	\$830	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	1	\$20	\$20	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,500	\$1,500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	11	\$5,100	\$5,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	6	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	29	\$8,250	\$8,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Huntington Beach

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$84.00			\$84.00
2				\$168.00			\$168.00
3		\$113.40		\$220.86			\$334.26
4				\$210.00			\$210.00
5				\$210.00			\$210.00
6				\$210.00			\$210.00
TOTAL	\$0.00	\$113.40	\$0.00	\$1,102.86	\$0.00	\$0.00	\$1,216.26

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No:** AHM-05-03-R1-6**Subject:** City of Long Beach**Location:** Long Beach**1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	4	divide by # claims with payable indem	56	=	0.07143
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$853.25	divide by	# of claims with obligation to pay indem.	56	
			Avg Unpd Ind =	\$	15.24

C. Severity Rate

Avg Unpd Indem	\$	15.24	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.08182
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.07143	X	Severity rate	0.08182	X	modifier of	2	
						=		0.01169

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	3	
# claims with late first SC notice	5	divide by # with salary continuation	51	
Totals	6	divide by	Totals	54
				=
				0.11111

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	6	divide by # with first PD	22	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	6	divide by	Totals	23
				=
				0.26087

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	1	divide by # with subsequent payments	23	=
				0.04348

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	51	
# claims with VR potential eligibility notice violations	6	divide by # requiring notices	9	
Totals	24		Totals	60
				=
				0.40000

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82715**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-05-03-R1-6**Subject: City of Long Beach****Location: Long Beach****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,295	\$1,295	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	1	\$160	\$160	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	5	\$120	\$120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$7,200	\$7,200	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$350	\$350	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$11,075	\$11,075	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Long Beach

Type: SI

[illegible]

Calendar Year: 2003

Individual Exhibit 1A

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 19 divide by # claims with payable indem 58 = 0.32759

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. = \$ 14,521.47 divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ 250.37

C. Severity Rate

Avg Unpd Indem \$ 250.37 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.34456

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.32759 X Severity rate 1.34456 X modifier of 2
= 0.88092

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	6	
# claims with late first SC notice	10	divide by # with salary continuation	39	
Totals	13	divide by	Totals 45	=

0.28889

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	13	divide by # with first PD	18	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	13	divide by	Totals 21	=

0.61905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subsequent payments 7 divide by # with subsequent payments 21 =
0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	15	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	9	divide by # requiring notices	9	
Totals	24		Totals 53	

= 0.45283

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

2.57502

Calendar Year : 2003

Individual Exhibit 1B

Full Compliance Audit Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 26 divide by # claims with payable indem 133 = 0.19549

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem = \$26,298.43 # of claims with obligation to pay indem. 133
Avg Unpd Ind = \$ 197.73

C. Severity Rate

Avg Unpd Ind. \$ 197.73 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.06188

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.19549 X Severity rate 1.06188 X modifier of 2
= 0.41517

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	5	divide by # with TD payments	12	
# claims with late first SC notice	23	divide by # with salary continuation	96	
Totals	28	divide by	Totals	108
				=
				0.25926

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	17	divide by # with first PD	40	
# claims with late first VRMA	0	divide by # with first VRMA	10	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	17	divide by	Totals	50
				=
				0.34000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subseq payments 13 divide by # with subseq payments 45 =
0.28889

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	30	divide by # requiring notices	102	
# claims with VR potential eligibilty notice violations	14	divide by # requiring notices	19	
Totals	44		Totals	121
				=
				0.36364

FULL COMPLIANCE AUDIT PERFORMANCE RATING

Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score

1.66696

Calendar Year: 2003

Individual Exhibit 3

Penalty Assessments and Collections

Files Audited:	135
Indemnity	133
Medical Only	0
Denied	0
Complaints	2
Additional	0

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	5	\$1,800	\$0	\$0	\$1,800		x
2	18	\$5,830	\$0	\$0	\$5,830		x
3	0	\$0	\$0	\$0	\$0		x
4	22	\$3,585	\$525	\$0	\$3,060		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	23	\$1,120	\$1,120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	14	\$5,000	\$5,000	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	30	\$11,600	\$11,600	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	11	\$4,800	\$0	\$0	\$4,800		x
18 b	6	\$1,950	\$0	\$0	\$1,950		x
18 c	1	\$750	\$0	\$0	\$750		x
18 d	23	\$2,000	\$0	\$0	\$2,000		x
18 e	1	\$100	\$0	\$0	\$100		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	154	\$38,535	\$18,245	\$0	\$20,290		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$126.00						\$126.00
2	\$1,220.61	\$314.69		\$153.53			\$1,688.83
3				\$98.00			\$98.00
4	\$420.00						\$420.00
5	\$136.00					\$15.60	\$151.60
6	\$490.00	\$1,760.00		\$176.00			\$2,426.00
7				\$201.57			\$201.57
8				\$126.00			\$126.00
9				\$160.00			\$160.00
10				\$478.42			\$478.42
11				\$40.00			\$40.00
12			\$396.00				\$396.00
13	\$280.00						\$280.00
14				\$862.11			\$862.11
15	\$70.00						\$70.00
16	\$420.00			\$210.00			\$630.00
17		\$4,480.00		\$448.00			\$4,928.00
18	\$2,450.00			\$381.28			\$2,831.28
19	\$1,120.00			\$308.14			\$1,428.14
20	\$3,570.00						\$3,570.00
21		\$2,380.00		\$238.00			\$2,618.00
SUBTOTAL	\$10,302.61	\$8,934.69	\$396.00	\$3,881.05	\$0.00	\$15.60	\$23,529.95

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-11-03-R1-6****Subject: City of Modesto****Location: Modesto****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	2	divide by # claims with payable indem	47	=	0.04255
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$398.73	divide by	# of claims with obligation to pay indem.	47	
			Avg Unpd Ind =	\$	8.48

C. Severity Rate

Avg Unpd Indem	\$	8.48	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.04556
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.04255	X	Severity rate	0.04556	X	modifier of	2	
						=		0.00388

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	4	
# claims with late first SC notice	7	divide by # with salary continuation	34	
Totals	7	divide by	Totals	38
				=
				0.18421

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	26	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	29
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	28	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	34	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	7		Totals	40
				=
				0.17500

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.36309**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	47
Indemnity	47
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-11-03-R1-6**Subject: City of Modesto****Location: Modesto****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	8	\$250	\$250	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$700	\$700	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$200	\$200	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	16	\$2,250	\$2,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Modesto

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-03-03-R1-6****Subject: City of Richmond Risk Management****Location: Richmond****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	1	divide by # claims with payable indem	51	=	0.01961
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 56.00	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 1.10	

C. Severity Rate

Avg Unpd Indem	\$ 1.10	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.00590
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.01961	X	Severity rate	0.00590	X	modifier of	2	
						=		0.00023

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	2	
# claims with late first SC notice	17	divide by # with salary continuation	48	
Totals	18	divide by	Totals	50
				=
				0.36000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	11
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	9	=
				0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	1		Totals	41
				=
				0.02439

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.71795**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-03-03-R1-6**Subject: City of Richmond Risk Management****Location: Richmond****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$235	\$235	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	19	\$945	\$945	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$100	\$100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	26	\$1,455	\$1,455	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Richmond **Type:** SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$56.00			\$56.00
TOTAL	\$0.00	\$0.00	\$0.00	\$56.00	\$0.00	\$0.00	\$56.00

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-02-03-R1-6****Subject: Contra Costa County Schools Insurance Group****Location: Pleasant Hill****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 8 divide by # claims with payable indem 56 = 0.14286

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 7,952.98 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 142.02**C. Severity Rate**

Avg Unpd Indem \$ 142.02 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.76267

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.14286 X Severity rate 0.76267 X modifier of 2
= 0.21791**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 8
claims with late first SC notice 14 divide by # with salary continuation 43
Totals 15 divide by Totals 51 =
0.29412**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 6 divide by # with first PD 20
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 6 divide by Totals 21 =
0.28571**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 18 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 34
claims with VR potential eligibility notice violations 2 divide by # requiring notices 4
Totals 2 divide by Totals 38 =
0.05263**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.85037**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-02-03-R1-6**Subject: Contra Costa County Schools
Insurance Group****Location: Pleasant Hill****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,305	\$1,305	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	2	\$150	\$150	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	15	\$610	\$610	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$400	\$400	\$0	\$0		x
18 b	1	\$1,000	\$1,000	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$625	\$625	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	36	\$4,640	\$4,640	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Contra Costa County Schools Insurance Group

Type: Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$96.00			\$96.00
2				\$124.00			\$124.00
3				\$557.71			\$557.71
4	\$107.73						\$107.73
5	\$575.01			\$27.45			\$602.46
6		\$5,485.51		\$548.57			\$6,034.08
7				\$298.00			\$298.00
8				\$133.00			\$133.00
TOTAL	\$682.74	\$5,485.51	\$0.00	\$1,784.73	\$0.00	\$0.00	\$7,952.98

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-17-03-T1-6****Subject: County of Riverside****Location: Riverside****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	3	divide by # claims with payable indem	55	=	0.05455
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$578.90	divide by	# of claims with obligation to pay indem.	55	
			Avg Unpd Ind =	\$	10.53

C. Severity Rate

Avg Unpd Indem	\$	10.53	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.05652
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.05455	X	Severity rate	0.05652	X	modifier of	2	
						=		0.00617

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	16	
# claims with late first SC notice	24	divide by # with salary continuation	47	
Totals	24	divide by	Totals	63
				=
				0.38095

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	5	divide by # with first PD	19	
# claims with late first VRMA	0	divide by # with first VRMA	4	
# claims with late first DB	0	divide by # with first DB paid	2	
Totals	5	divide by	Totals	25
				=
				0.20000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	31	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	7	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	2	divide by # requiring notices	7	
Totals	9		Totals	45
				=
				0.20000

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.78712**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-17-03-T1-6**Subject: County of Riverside****Location: Riverside****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	5	\$1,145	\$1,145	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	24	\$830	\$830	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$600	\$600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$1,940	\$1,940	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$300	\$300	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$4,815	\$4,815	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-16-03-R1-6****Subject: County of San Diego****Location: San Diego****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	11	divide by # claims with payable indem	57	=	0.19298
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 7,199.50	divide by	# of claims with obligation to pay indem.	57	
			Avg Unpd Ind =	\$ 126.31	

C. Severity Rate

Avg Unpd Indem	\$ 126.31	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.67830
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.19298	X	Severity rate	0.67830	X	modifier of	2	
						=		0.26180

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	8	
# claims with late first SC notice	7	divide by # with salary continuation	30	
Totals	10	divide by	Totals	38
				=
				0.26316

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	37	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	5	divide by	Totals	42
				=
				0.11905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	6	divide by # with subsequent payments	34	=
				0.17647

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	50	
# claims with VR potential eligibility notice violations	7	divide by # requiring notices	10	
Totals	8		Totals	60
				=
				0.13333

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.95381**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	58
Indemnity	57
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: LAO-16-03-R1-6**Subject: County of San Diego****Location: San Diego****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	3	\$175	\$175	\$0	\$0		x
2	4	\$1,540	\$1,540	\$0	\$0		x
3	1	\$100	\$100	\$0	\$0		x
4	7	\$430	\$430	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	7	\$390	\$390	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	7	\$2,600	\$2,600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$400	\$400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	4	\$1,500	\$1,500	\$0	\$0		x
18 b	2	\$600	\$600	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	43	\$8,335	\$8,335	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-16-03-R1-6

Subject: County of San Diego

Location: San Diego

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$139.17			\$13.92			\$153.09
2	\$420.00						\$420.00
3				\$91.43			\$91.43
4				\$101.55			\$101.55
5	\$324.19			\$123.19			\$447.38
6				\$62.00			\$62.00
7	\$3,610.48						\$3,610.48
8				\$40.00			\$40.00
9		\$438.57		\$43.86			\$482.43
10		\$1,602.85		\$160.29			\$1,763.14
11				\$28.00			\$28.00
TOTAL	\$4,493.84	\$2,041.42	\$0.00	\$664.24	\$0.00	\$0.00	\$7,199.50

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-13-03-R1-1****Subject: Crum and Forster Insurance****Location: Plano, TX****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 7 divide by # claims with payable indem 56 = 0.12500

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 6,338.38 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 113.19**C. Severity Rate**

Avg Unpd Indem \$ 113.19 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.60784

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12500 X Severity rate 0.60784 X modifier of 2
= 0.15196**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 23 divide by # with TD payments 54
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 23 divide by Totals 54 =
0.42593**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 3 divide by # with first PD 12
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 0
Totals 3 divide by Totals 16 =
0.18750**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 10 divide by # with subsequent payments 37 =
0.27027**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 5 divide by # requiring notices 20
claims with VR potential eligibility notice violations 8 divide by # requiring notices 12
Totals 13 divide by Totals 32 =
0.40625**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.44191**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-13-03-R1-1**Subject: Crum and Forster Insurance****Location: Plano, TX****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	25	\$2,985	\$2,985	\$0	\$0		x
2	3	\$1,220	\$1,220	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,645	\$1,645	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	8	\$2,300	\$2,300	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	5	\$1,900	\$1,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$1,300	\$1,300	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$250	\$250	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	1	\$500	\$500	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	63	\$12,500	\$12,500	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Crum and Forster Insurance

Type: Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$68.32						\$68.32
2				\$75.08			\$75.08
3	\$61.19						\$61.19
4				\$196.00			\$196.00
5		\$2,148.57		\$214.86			\$2,363.43
6						\$428.49	\$428.49
7	\$2,859.88			\$285.99			\$3,145.87
TOTAL	\$2,989.39	\$2,148.57	\$0.00	\$771.93	\$0.00	\$428.49	\$6,338.38

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 14 divide by # claims with payable indem 49 = 0.28571

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 15,583.25 divide by # of claims with obligation to pay indem. 49
Avg Unpd Ind = \$ 318.03**C. Severity Rate**

Avg Unpd Indem \$ 318.03 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.70789

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.28571 X Severity rate 1.70789 X modifier of 2
= 0.97594**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 21 divide by # with TD payments 45
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 21 divide by Totals 45 =
0.46667**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 4 divide by # with first PD 11
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 4 divide by Totals 12 =
0.33333**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 10 divide by # with subsequent payments 29 =
0.34483**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 12 divide by # requiring notices 39
claims with VR potential eligibility notice violations 4 divide by # requiring notices 6
Totals 16 divide by Totals 45 =
0.35556**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.47632**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	27	divide by # claims with payable indem	91	=	0.29670
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 23,704.83	divide by	# of claims with obligation to pay indem.	91	
			Avg Unpd Ind =	\$ 260.49	

C. Severity Rate

Avg Unpd Ind.	\$ 260.49	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.39892
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.29670	X	Severity rate	1.39892	X	modifier of	2	
						=		0.83013

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	36	divide by # with TD payments	83	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	36	divide by	Totals	83
				=
				0.43373

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	9	divide by # with first PD	23	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	10	divide by	Totals	28
				=
				0.35714

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	22	divide by # with subseq payments	51	=
				0.43137

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	67	
# claims with VR potential eligibilty notice violations	6	divide by # requiring notices	12	
Totals	24		Totals	79
				=
				0.30380

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****2.35618**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	91
Indemnity	91
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-04-03-R2-5**Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessed	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	44	\$3,090	\$0	\$3,090	\$0		x
2	8	\$1,635	\$0	\$1,635	\$0		x
3	1	\$50	\$0	\$50	\$0		x
4	46	\$3,185	\$2,075	\$0	\$1,110		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$6,800	\$6,800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	15	\$2,650	\$0	\$2,650	\$0		x
18 b	8	\$3,400	\$0	\$3,400	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	40	\$2,700	\$0	\$2,700	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	186	\$25,410	\$10,775	\$13,525	\$1,110		

Administrative penalties waived pursuant to Labor Code Section 129.5(c)(1).

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova **Type: TPA**

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$492.40			\$112.76			\$605.16
2				\$32.00			\$32.00
3		\$6,240.00		\$656.00			\$6,896.00
4				\$522.70			\$522.70
5		\$660.00					\$660.00
6		\$38.50		\$3.85			\$42.35
7				\$83.20			\$83.20
8		\$120.00					\$120.00
9	\$1,680.00			\$693.00			\$2,373.00
10				\$280.00			\$280.00
11	\$36.20						\$36.20
12	\$264.97						\$264.97
13		\$840.00					\$840.00
14	\$190.44						\$190.44
15	\$210.00						\$210.00
16				\$375.16			\$375.16
17	\$257.01			\$20.09			\$277.10
18	\$70.00						\$70.00
19	\$80.91						\$80.91
20	\$144.00			\$217.40			\$361.40
21		\$6,008.00					\$6,008.00
SUBTOTAL	\$3,425.93	\$13,906.50	\$0.00	\$2,996.16	\$0.00	\$0.00	\$20,328.59

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty interest, or other	Total
22	\$210.00	\$1,460.00					\$210.00
23	\$62.74						\$62.74
24				\$112.00			\$112.00
25	\$210.00			\$627.69			\$837.69
26	\$280.00			\$42.00			\$322.00
27				\$371.81			\$1,831.81

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-04-03-R1-1****Subject: Federated Mutual Insurance****Location: Phoenix, AZ****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 3 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 3
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 2 divide by # with TD payments 3
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 2 divide by Totals 3 =
0.66667**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 0
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 0 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 1 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 1
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 1 divide by Totals 2 =
0.50000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.16667**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	3
Indemnity	3
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-04-03-R1-1**Subject: Federated Mutual Insurance****Location: Phoenix, AZ****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	1	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	3	\$575	\$575	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: INS

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-03-03-R1-5****Subject: Frank Gates Service Company****Location: El Dorado Hills****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	17	divide by # claims with payable indem	41	=	0.41463
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 3,594.78	divide by	# of claims with obligation to pay indem.	41	
			Avg Unpd Ind =	\$ 87.68	

C. Severity Rate

Avg Unpd Indem	\$ 87.68	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.47085
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.41463	X	Severity rate	0.47085	X	modifier of	2	
						=		0.39046

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	15	divide by # with TD payments	36	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	15	divide by	Totals	36
				=
				0.41667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	3	divide by # with first PD	10	
# claims with late first VRMA	0	divide by # with first VRMA	2	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	12
				=
				0.25000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	16	divide by # with subsequent payments	25	=
				0.64000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	23	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	11		Totals	29
				=
				0.37931

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.07644**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	41
Indemnity	41
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-03-03-R1-5**Subject: Frank Gates Service Company****Location: El Dorado Hills Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	15	\$2,685	\$2,685	\$0	\$0		x
2	3	\$1,020	\$1,020	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	54	\$4,080	\$4,080	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,200	\$1,200	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	8	\$2,900	\$2,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	9	\$1,200	\$1,200	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	22	\$1,575	\$1,575	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	115	\$15,060	\$15,060	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SAC-03-03-R1-5

Subject: Frank Gates Service Company

Location: El Dorado Hills

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$231.20			\$231.20
2		\$1,260.00					\$1,260.00
3				\$140.06			\$140.06
4	\$36.18						\$36.18
5				\$160.25			\$160.25
6				\$58.48			\$58.48
7	\$117.03			\$11.70			\$128.73
8				\$50.27			\$50.27
9	\$20.00			\$44.70			\$64.70
10				\$41.10			\$41.10
11				\$280.00			\$280.00
12	\$312.07			\$74.43			\$386.50
13	\$45.60			\$44.03			\$89.63
14	\$17.02			\$1.70			\$18.72
15	\$473.59			\$23.37			\$496.96
16				\$98.00			\$98.00
17	\$54.00						\$54.00
TOTAL	\$1,075.49	\$1,260.00	\$0.00	\$1,259.29	\$0.00	\$0.00	\$3,594.78

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-04-03-R1-1****Subject: Mitsui Somitomo Insurance Group****Location: Universal City****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	11	divide by # claims with payable indem	51	=	0.21569
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 1,527.40	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 29.95	

C. Severity Rate

Avg Unpd Indem	\$ 29.95	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.16083
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.21569	X	Severity rate	0.16083	X	modifier of	2	
						=		0.06938

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	16	divide by # with TD payments	46	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	16	divide by	Totals	46
				=
				0.34783

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	2	divide by # with first PD	18	
# claims with late first VRMA	0	divide by # with first VRMA	8	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	2	divide by	Totals	26
				=
				0.07692

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	11	divide by # with subsequent payments	32	=
				0.34375

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	40	
# claims with VR potential eligibility notice violations	4	divide by # requiring notices	11	
Totals	12		Totals	51
				=
				0.23529

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.07317**

Individual Exhibit 4

Type: SI

[illegible]

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-02-03-R1-6****Subject: City of Glendale****Location: Glendale****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	5	divide by # claims with payable indem	51	=	0.09804
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 9,865.58	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 193.44	

C. Severity Rate

Avg Unpd Indem	\$ 193.44	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.03884
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.09804	X	Severity rate	1.03884	X	modifier of	2	
						=		0.20369

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	13	divide by # with salary continuation	50	
Totals	13	divide by	Totals	50
				=
				0.26000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	13	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	14
				=
				0.28571

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	12	=
				0.25000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	43	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	4	Totals	46	
				=
				0.08696

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.08637**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: VNO-02-03-R1-6**Subject: City of Glendale****Location: Glendale****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	4	\$1,610	\$1,610	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$1,440	\$1,440	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	13	\$745	\$745	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	4	\$1,500	\$1,500	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$100	\$0	\$0		x
18 b	3	\$1,700	\$1,700	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$400	\$400	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	33	\$7,595	\$7,595	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$43.36	\$48.57		\$937.43			\$986.00
2		\$3,988.00		\$686.80			\$4,674.80
3		\$175.71		\$909.71			\$1,085.42
4		\$2,720.00		\$356.00			\$3,076.00
5		\$0.00		\$0.00			\$43.36
TOTAL	\$43.36	\$6,932.28	\$0.00	\$2,889.94	\$0.00	\$0.00	\$9,865.58

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-09-03-R1-6****Subject: City of Huntington Beach****Location: Huntington Beach****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	6	divide by # claims with payable indem	53	=	0.11321
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 1,216.26	divide by	# of claims with obligation to pay indem.	53	
			Avg Unpd Ind =	\$ 22.95	

C. Severity Rate

Avg Unpd Indem	\$ 22.95	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.12324
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.11	X	Severity rate	0.12	X	modifier of	2	
						=		0.02790

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	1	divide by # with salary continuation	46	
Totals	1	divide by	Totals	46
				=
				0.02174

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	7	divide by # with first PD	21	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	7	divide by	Totals	21
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	5	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	11	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	4	
Totals	14		Totals	48
				=
				0.29167

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.67464**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	53
Indemnity	53
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-09-03-R1-6**Subject: City of Huntington Beach****Location: Huntington Beach Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	7	\$830	\$830	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	1	\$20	\$20	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,500	\$1,500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	11	\$5,100	\$5,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	6	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	29	\$8,250	\$8,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Huntington Beach

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$84.00			\$84.00
2				\$168.00			\$168.00
3		\$113.40		\$220.86			\$334.26
4				\$210.00			\$210.00
5				\$210.00			\$210.00
6				\$210.00			\$210.00
TOTAL	\$0.00	\$113.40	\$0.00	\$1,102.86	\$0.00	\$0.00	\$1,216.26

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-05-03-R1-6****Subject: City of Long Beach****Location: Long Beach****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 4 divide by # claims with payable indem 56 = 0.07143

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$853.25 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 15.24**C. Severity Rate**

Avg Unpd Indem \$ 15.24 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.08182

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.07143 X Severity rate 0.08182 X modifier of 2
= 0.01169**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 3
claims with late first SC notice 5 divide by # with salary continuation 51
Totals 6 divide by Totals 54 =
0.11111**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 6 divide by # with first PD 22
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 6 divide by Totals 23 =
0.26087**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 1 divide by # with subsequent payments 23 =
0.04348**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 18 divide by # requiring notices 51
claims with VR potential eligibility notice violations 6 divide by # requiring notices 9
Totals 24 divide by Totals 60
= 0.40000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82715**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-05-03-R1-6**Subject: City of Long Beach****Location: Long Beach****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,295	\$1,295	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	1	\$160	\$160	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	5	\$120	\$120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$7,200	\$7,200	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$350	\$350	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$11,075	\$11,075	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Long Beach

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$49.00			\$49.00
2				\$617.14			\$617.14
3				\$157.71			\$157.71
4				\$29.40			\$29.40
TOTAL	\$0.00	\$0.00	\$0.00	\$853.25	\$0.00	\$0.00	\$853.25

Calendar Year: 2003

Individual Exhibit 1A

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 19 divide by # claims with payable indem 58 = 0.32759

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. = \$ 14,521.47 divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ 250.37

C. Severity Rate

Avg Unpd Indem \$ 250.37 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.34456

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.32759 X Severity rate 1.34456 X modifier of 2
= 0.88092

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	6	
# claims with late first SC notice	10	divide by # with salary continuation	39	
Totals	13	divide by	Totals 45	=

0.28889

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	13	divide by # with first PD	18	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	13	divide by	Totals 21	=

0.61905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subsequent payments 7 divide by # with subsequent payments 21 =
0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	15	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	9	divide by # requiring notices	9	
Totals	24		Totals 53	

= 0.45283

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

2.57502

Calendar Year : 2003

Individual Exhibit 1B

Full Compliance Audit Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 26 divide by # claims with payable indem 133 = 0.19549

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem = \$26,298.43 # of claims with obligation to pay indem. 133
Avg Unpd Ind = \$ 197.73

C. Severity Rate

Avg Unpd Ind. \$ 197.73 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.06188

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.19549 X Severity rate 1.06188 X modifier of 2
= 0.41517

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	5	divide by # with TD payments	12	
# claims with late first SC notice	23	divide by # with salary continuation	96	
Totals	28	divide by	Totals	108
				=
				0.25926

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	17	divide by # with first PD	40	
# claims with late first VRMA	0	divide by # with first VRMA	10	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	17	divide by	Totals	50
				=
				0.34000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subseq payments 13 divide by # with subseq payments 45 =
0.28889

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	30	divide by # requiring notices	102	
# claims with VR potential eligibilty notice violations	14	divide by # requiring notices	19	
Totals	44		Totals	121
				=
				0.36364

FULL COMPLIANCE AUDIT PERFORMANCE RATING

Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score

1.66696

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	135
Indemnity	133
Medical Only	0
Denied	0
Complaints	2
Additional	0

Audit No: VNO-16-03-R2-6**Subject: City of Los Angeles****Location: Los Angeles****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	5	\$1,800	\$0	\$0	\$1,800		x
2	18	\$5,830	\$0	\$0	\$5,830		x
3	0	\$0	\$0	\$0	\$0		x
4	22	\$3,585	\$525	\$0	\$3,060		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	23	\$1,120	\$1,120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	14	\$5,000	\$5,000	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	30	\$11,600	\$11,600	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	11	\$4,800	\$0	\$0	\$4,800		x
18 b	6	\$1,950	\$0	\$0	\$1,950		x
18 c	1	\$750	\$0	\$0	\$750		x
18 d	23	\$2,000	\$0	\$0	\$2,000		x
18 e	1	\$100	\$0	\$0	\$100		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	154	\$38,535	\$18,245	\$0	\$20,290		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$126.00						\$126.00
2	\$1,220.61	\$314.69		\$153.53			\$1,688.83
3				\$98.00			\$98.00
4	\$420.00						\$420.00
5	\$136.00					\$15.60	\$151.60
6	\$490.00	\$1,760.00		\$176.00			\$2,426.00
7				\$201.57			\$201.57
8				\$126.00			\$126.00
9				\$160.00			\$160.00
10				\$478.42			\$478.42
11				\$40.00			\$40.00
12			\$396.00				\$396.00
13	\$280.00						\$280.00
14				\$862.11			\$862.11
15	\$70.00						\$70.00
16	\$420.00			\$210.00			\$630.00
17		\$4,480.00		\$448.00			\$4,928.00
18	\$2,450.00			\$381.28			\$2,831.28
19	\$1,120.00			\$308.14			\$1,428.14
20	\$3,570.00						\$3,570.00
21		\$2,380.00		\$238.00			\$2,618.00
SUBTOTAL	\$10,302.61	\$8,934.69	\$396.00	\$3,881.05	\$0.00	\$15.60	\$23,529.95

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-11-03-R1-6****Subject: City of Modesto****Location: Modesto****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

claims with unpd indem 2 divide by # claims with payable indem 47 = 0.04255

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$398.73 divide by # of claims with obligation to pay indem. 47
Avg Unpd Ind = \$ 8.48C. Severity Rate

Avg Unpd Indem \$ 8.48 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.04556

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.04255 X Severity rate 0.04556 X modifier of 2
= 0.00388**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 4
claims with late first SC notice 7 divide by # with salary continuation 34
Totals 7 divide by Totals 38 =
0.18421**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 26
claims with late first VRMA 0 divide by # with first VRMA 3
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 29 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 28 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 4 divide by # requiring notices 34
claims with VR potential eligibility notice violations 3 divide by # requiring notices 6
Totals 7 divide by Totals 40
= 0.17500**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.36309**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	47
Indemnity	47
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-11-03-R1-6**Subject: City of Modesto****Location: Modesto****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	8	\$250	\$250	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$700	\$700	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$200	\$200	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	16	\$2,250	\$2,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-03-03-R1-6****Subject: City of Richmond Risk Management****Location: Richmond****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	1	divide by # claims with payable indem	51	=	0.01961
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 56.00	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 1.10	

C. Severity Rate

Avg Unpd Indem	\$ 1.10	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.00590
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.01961	X	Severity rate	0.00590	X	modifier of	2	
						=		0.00023

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	2	
# claims with late first SC notice	17	divide by # with salary continuation	48	
Totals	18	divide by	Totals	50
				=
				0.36000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	11
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	9	=
				0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	1		Totals	41
				=
				0.02439

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.71795**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-03-03-R1-6**Subject: City of Richmond Risk Management****Location: Richmond****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$235	\$235	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	19	\$945	\$945	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$100	\$100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	26	\$1,455	\$1,455	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Richmond **Type:** SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$56.00			\$56.00
TOTAL	\$0.00	\$0.00	\$0.00	\$56.00	\$0.00	\$0.00	\$56.00

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-02-03-R1-6****Subject: Contra Costa County Schools Insurance Group****Location: Pleasant Hill****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 8 divide by # claims with payable indem 56 = 0.14286

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 7,952.98 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 142.02**C. Severity Rate**

Avg Unpd Indem \$ 142.02 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.76267

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.14286 X Severity rate 0.76267 X modifier of 2
= 0.21791**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 8
claims with late first SC notice 14 divide by # with salary continuation 43
Totals 15 divide by Totals 51 =
0.29412**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 6 divide by # with first PD 20
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 6 divide by Totals 21 =
0.28571**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 18 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 34
claims with VR potential eligibility notice violations 2 divide by # requiring notices 4
Totals 2 divide by Totals 38 =
0.05263**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.85037**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-02-03-R1-6**Subject: Contra Costa County Schools
Insurance Group****Location: Pleasant Hill****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,305	\$1,305	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	2	\$150	\$150	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	15	\$610	\$610	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$400	\$400	\$0	\$0		x
18 b	1	\$1,000	\$1,000	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$625	\$625	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	36	\$4,640	\$4,640	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Contra Costa County Schools Insurance Group

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$96.00			\$96.00
2				\$124.00			\$124.00
3				\$557.71			\$557.71
4	\$107.73						\$107.73
5	\$575.01			\$27.45			\$602.46
6		\$5,485.51		\$548.57			\$6,034.08
7				\$298.00			\$298.00
8				\$133.00			\$133.00
TOTAL	\$682.74	\$5,485.51	\$0.00	\$1,784.73	\$0.00	\$0.00	\$7,952.98

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-17-03-T1-6****Subject: County of Riverside****Location: Riverside****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 3 divide by # claims with payable indem 55 = 0.05455

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$578.90 divide by # of claims with obligation to pay indem. 55
Avg Unpd Ind = \$ 10.53**C. Severity Rate**

Avg Unpd Indem \$ 10.53 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.05652

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.05455 X Severity rate 0.05652 X modifier of 2
= 0.00617**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 16
claims with late first SC notice 24 divide by # with salary continuation 47
Totals 24 divide by Totals 63 =
0.38095**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 5 divide by # with first PD 19
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 2
Totals 5 divide by Totals 25 =
0.20000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 31 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 7 divide by # requiring notices 38
claims with VR potential eligibility notice violations 2 divide by # requiring notices 7
Totals 9 divide by Totals 45
= 0.20000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.78712**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-17-03-T1-6**Subject: County of Riverside****Location: Riverside****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	5	\$1,145	\$1,145	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	24	\$830	\$830	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$600	\$600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$1,940	\$1,940	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$300	\$300	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$4,815	\$4,815	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-16-03-R1-6****Subject: County of San Diego****Location: San Diego****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	11	divide by # claims with payable indem	57	=	0.19298
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 7,199.50	divide by	# of claims with obligation to pay indem.	57	
			Avg Unpd Ind =	\$ 126.31	

C. Severity Rate

Avg Unpd Indem	\$ 126.31	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.67830
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.19298	X	Severity rate	0.67830	X	modifier of	2	
						=		0.26180

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	8	
# claims with late first SC notice	7	divide by # with salary continuation	30	
Totals	10	divide by	Totals	38
				=
				0.26316

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	37	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	5	divide by	Totals	42
				=
				0.11905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	6	divide by # with subsequent payments	34	=
				0.17647

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	50	
# claims with VR potential eligibility notice violations	7	divide by # requiring notices	10	
Totals	8		Totals	60
				=
				0.13333

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.95381**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	58
Indemnity	57
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: LAO-16-03-R1-6**Subject: County of San Diego****Location: San Diego****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	3	\$175	\$175	\$0	\$0		x
2	4	\$1,540	\$1,540	\$0	\$0		x
3	1	\$100	\$100	\$0	\$0		x
4	7	\$430	\$430	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	7	\$390	\$390	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	7	\$2,600	\$2,600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$400	\$400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	4	\$1,500	\$1,500	\$0	\$0		x
18 b	2	\$600	\$600	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	43	\$8,335	\$8,335	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-16-03-R1-6

Subject: County of San Diego

Location: San Diego

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$139.17			\$13.92			\$153.09
2	\$420.00						\$420.00
3				\$91.43			\$91.43
4				\$101.55			\$101.55
5	\$324.19			\$123.19			\$447.38
6				\$62.00			\$62.00
7	\$3,610.48						\$3,610.48
8				\$40.00			\$40.00
9		\$438.57		\$43.86			\$482.43
10		\$1,602.85		\$160.29			\$1,763.14
11				\$28.00			\$28.00
TOTAL	\$4,493.84	\$2,041.42	\$0.00	\$664.24	\$0.00	\$0.00	\$7,199.50

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-13-03-R1-1****Subject: Crum and Forster Insurance****Location: Plano, TX****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 7 divide by # claims with payable indem 56 = 0.12500

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 6,338.38 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 113.19**C. Severity Rate**

Avg Unpd Indem \$ 113.19 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.60784

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12500 X Severity rate 0.60784 X modifier of 2
= 0.15196**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 23 divide by # with TD payments 54
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 23 divide by Totals 54 =
0.42593**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 3 divide by # with first PD 12
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 0
Totals 3 divide by Totals 16 =
0.18750**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 10 divide by # with subsequent payments 37 =
0.27027**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 5 divide by # requiring notices 20
claims with VR potential eligibility notice violations 8 divide by # requiring notices 12
Totals 13 divide by Totals 32 =
0.40625**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.44191**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-13-03-R1-1**Subject: Crum and Forster Insurance****Location: Plano, TX****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	25	\$2,985	\$2,985	\$0	\$0		x
2	3	\$1,220	\$1,220	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,645	\$1,645	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	8	\$2,300	\$2,300	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	5	\$1,900	\$1,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$1,300	\$1,300	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$250	\$250	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	1	\$500	\$500	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	63	\$12,500	\$12,500	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Crum and Forster Insurance

Type: Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$68.32						\$68.32
2				\$75.08			\$75.08
3	\$61.19						\$61.19
4				\$196.00			\$196.00
5		\$2,148.57		\$214.86			\$2,363.43
6						\$428.49	\$428.49
7	\$2,859.88			\$285.99			\$3,145.87
TOTAL	\$2,989.39	\$2,148.57	\$0.00	\$771.93	\$0.00	\$428.49	\$6,338.38

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	14	divide by # claims with payable indem	49	=	0.28571
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 15,583.25	divide by	# of claims with obligation to pay indem.	49	
			Avg Unpd Ind =	\$ 318.03	

C. Severity Rate

Avg Unpd Indem	\$ 318.03	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.70789
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.28571	X	Severity rate	1.70789	X	modifier of	2	
						=		0.97594

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	21	divide by # with TD payments	45	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	21	divide by	Totals	45
				=
				0.46667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	12
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	10	divide by # with subsequent payments	29	=
				0.34483

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	12	divide by # requiring notices	39	
# claims with VR potential eligibility notice violations	4	divide by # requiring notices	6	
Totals	16		Totals	45
				=
				0.35556

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.47632**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	27	divide by # claims with payable indem	91	=	0.29670
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 23,704.83	divide by	# of claims with obligation to pay indem.	91	
			Avg Unpd Ind =	\$ 260.49	

C. Severity Rate

Avg Unpd Ind.	\$ 260.49	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.39892
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.29670	X	Severity rate	1.39892	X	modifier of	2	
						=		0.83013

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	36	divide by # with TD payments	83	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	36	divide by	Totals	83
				=
				0.43373

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	9	divide by # with first PD	23	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	10	divide by	Totals	28
				=
				0.35714

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	22	divide by # with subseq payments	51	=
				0.43137

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	67	
# claims with VR potential eligibilty notice violations	6	divide by # requiring notices	12	
Totals	24		Totals	79
				=
				0.30380

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****2.35618**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	91
Indemnity	91
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-04-03-R2-5**Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessed	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	44	\$3,090	\$0	\$3,090	\$0		x
2	8	\$1,635	\$0	\$1,635	\$0		x
3	1	\$50	\$0	\$50	\$0		x
4	46	\$3,185	\$2,075	\$0	\$1,110		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$6,800	\$6,800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	15	\$2,650	\$0	\$2,650	\$0		x
18 b	8	\$3,400	\$0	\$3,400	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	40	\$2,700	\$0	\$2,700	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	186	\$25,410	\$10,775	\$13,525	\$1,110		

Administrative penalties waived pursuant to Labor Code Section 129.5(c)(1).

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$492.40			\$112.76			\$605.16
2				\$32.00			\$32.00
3		\$6,240.00		\$656.00			\$6,896.00
4				\$522.70			\$522.70
5		\$660.00					\$660.00
6		\$38.50		\$3.85			\$42.35
7				\$83.20			\$83.20
8		\$120.00					\$120.00
9	\$1,680.00			\$693.00			\$2,373.00
10				\$280.00			\$280.00
11	\$36.20						\$36.20
12	\$264.97						\$264.97
13		\$840.00					\$840.00
14	\$190.44						\$190.44
15	\$210.00						\$210.00
16				\$375.16			\$375.16
17	\$257.01			\$20.09			\$277.10
18	\$70.00						\$70.00
19	\$80.91						\$80.91
20	\$144.00			\$217.40			\$361.40
21		\$6,008.00					\$6,008.00
SUBTOTAL	\$3,425.93	\$13,906.50	\$0.00	\$2,996.16	\$0.00	\$0.00	\$20,328.59

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty interest, or other	Total
22	\$210.00	\$1,460.00					\$210.00
23	\$62.74			\$62.74			
24				\$112.00			
25	\$210.00			\$627.69			
26	\$280.00			\$42.00			
27				\$371.81			

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-04-03-R1-1****Subject: Federated Mutual Insurance****Location: Phoenix, AZ****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 3 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 3
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 2 divide by # with TD payments 3
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 2 divide by Totals 3 =
0.66667**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 0
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 0 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 1 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 1
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 1 divide by Totals 2 =
0.50000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.16667**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	3
Indemnity	3
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-04-03-R1-1**Subject: Federated Mutual Insurance****Location: Phoenix, AZ****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	1	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	3	\$575	\$575	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: INS

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-03-03-R1-5****Subject: Frank Gates Service Company****Location: El Dorado Hills****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	17	divide by # claims with payable indem	41	=	0.41463
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 3,594.78	divide by	# of claims with obligation to pay indem.	41	
			Avg Unpd Ind =	\$ 87.68	

C. Severity Rate

Avg Unpd Indem	\$ 87.68	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.47085
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.41463	X	Severity rate	0.47085	X	modifier of	2	
						=		0.39046

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	15	divide by # with TD payments	36	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	15	divide by	Totals	36
				=
				0.41667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	3	divide by # with first PD	10	
# claims with late first VRMA	0	divide by # with first VRMA	2	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	12
				=
				0.25000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	16	divide by # with subsequent payments	25	=
				0.64000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	23	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	11		Totals	29
				=
				0.37931

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.07644**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	41
Indemnity	41
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-03-03-R1-5**Subject: Frank Gates Service Company****Location: El Dorado Hills Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	15	\$2,685	\$2,685	\$0	\$0		x
2	3	\$1,020	\$1,020	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	54	\$4,080	\$4,080	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,200	\$1,200	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	8	\$2,900	\$2,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	9	\$1,200	\$1,200	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	22	\$1,575	\$1,575	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	115	\$15,060	\$15,060	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SAC-03-03-R1-5

Subject: Frank Gates Service Company

Location: El Dorado Hills

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$231.20			\$231.20
2		\$1,260.00					\$1,260.00
3				\$140.06			\$140.06
4	\$36.18						\$36.18
5				\$160.25			\$160.25
6				\$58.48			\$58.48
7	\$117.03			\$11.70			\$128.73
8				\$50.27			\$50.27
9	\$20.00			\$44.70			\$64.70
10				\$41.10			\$41.10
11				\$280.00			\$280.00
12	\$312.07			\$74.43			\$386.50
13	\$45.60			\$44.03			\$89.63
14	\$17.02			\$1.70			\$18.72
15	\$473.59			\$23.37			\$496.96
16				\$98.00			\$98.00
17	\$54.00						\$54.00
TOTAL	\$1,075.49	\$1,260.00	\$0.00	\$1,259.29	\$0.00	\$0.00	\$3,594.78

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-12-03-R1-2****Subject: Sierra Pacific Industries****Location: Anderson****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 52 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 52
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 0 divide by # with TD payments 41
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 0 divide by Totals 41 =
0.00000**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 33
claims with late first VRMA 0 divide by # with first VRMA 12
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 45 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 41 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 14 divide by # requiring notices 33
claims with VR potential eligibility notice violations 2 divide by # requiring notices 18
Totals 16 divide by Totals 51 =
0.31373**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.31373**

Individual Exhibit 4

Type: SI

[illegible]

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: VNO-02-03-R1-6****Subject: City of Glendale****Location: Glendale****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	5	divide by # claims with payable indem	51	=	0.09804
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 9,865.58	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 193.44	

C. Severity Rate

Avg Unpd Indem	\$ 193.44	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.03884
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.09804	X	Severity rate	1.03884	X	modifier of	2	
						=		0.20369

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	13	divide by # with salary continuation	50	
Totals	13	divide by	Totals	50
				=
				0.26000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	13	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	14
				=
				0.28571

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	12	=
				0.25000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	43	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	4		Totals	46
				=
				0.08696

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.08637**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: VNO-02-03-R1-6**Subject: City of Glendale****Location: Glendale****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	4	\$1,610	\$1,610	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$1,440	\$1,440	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	13	\$745	\$745	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	4	\$1,500	\$1,500	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	1	\$100	\$100	\$0	\$0		x
18 b	3	\$1,700	\$1,700	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$400	\$400	\$0	\$0		x
18 e	1	\$100	\$100	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	33	\$7,595	\$7,595	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Glendale

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$43.36	\$48.57		\$937.43			\$986.00
2		\$3,988.00		\$686.80			\$4,674.80
3		\$175.71		\$909.71			\$1,085.42
4		\$2,720.00		\$356.00			\$3,076.00
5		\$0.00		\$0.00			\$43.36
TOTAL	\$43.36	\$6,932.28	\$0.00	\$2,889.94	\$0.00	\$0.00	\$9,865.58

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: AHM-09-03-R1-6****Subject: City of Huntington Beach****Location: Huntington Beach****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	6	divide by # claims with payable indem	53	=	0.11321
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 1,216.26	divide by	# of claims with obligation to pay indem.	53	
			Avg Unpd Ind =	\$ 22.95	

C. Severity Rate

Avg Unpd Indem	\$ 22.95	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.12324
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.11	X	Severity rate	0.12	X	modifier of	2	
						=		0.02790

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	0	
# claims with late first SC notice	1	divide by # with salary continuation	46	
Totals	1	divide by	Totals	46
				=
				0.02174

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	7	divide by # with first PD	21	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	7	divide by	Totals	21
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	5	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	11	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	4	
Totals	14		Totals	48
				=
				0.29167

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.67464**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	53
Indemnity	53
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-09-03-R1-6**Subject: City of Huntington Beach****Location: Huntington Beach Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	7	\$830	\$830	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	1	\$20	\$20	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,500	\$1,500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	11	\$5,100	\$5,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	1	\$200	\$200	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	6	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	29	\$8,250	\$8,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Huntington Beach

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$84.00			\$84.00
2				\$168.00			\$168.00
3		\$113.40		\$220.86			\$334.26
4				\$210.00			\$210.00
5				\$210.00			\$210.00
6				\$210.00			\$210.00
TOTAL	\$0.00	\$113.40	\$0.00	\$1,102.86	\$0.00	\$0.00	\$1,216.26

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No:** AHM-05-03-R1-6**Subject:** City of Long Beach**Location:** Long Beach**1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	4	divide by # claims with payable indem	56	=	0.07143
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$853.25	divide by	# of claims with obligation to pay indem.	56	
			Avg Unpd Ind =	\$	15.24

C. Severity Rate

Avg Unpd Indem	\$	15.24	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.08182
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.07143	X	Severity rate	0.08182	X	modifier of	2	
						=		0.01169

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	3	
# claims with late first SC notice	5	divide by # with salary continuation	51	
Totals	6	divide by	Totals	54
				=
				0.11111

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	6	divide by # with first PD	22	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	6	divide by	Totals	23
				=
				0.26087

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	1	divide by # with subsequent payments	23	=
				0.04348

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	51	
# claims with VR potential eligibility notice violations	6	divide by # requiring notices	9	
Totals	24		Totals	60
				=
				0.40000

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.82715**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: AHM-05-03-R1-6**Subject: City of Long Beach****Location: Long Beach****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,295	\$1,295	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	1	\$160	\$160	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	5	\$120	\$120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$7,200	\$7,200	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	4	\$350	\$350	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$11,075	\$11,075	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Long Beach

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$49.00			\$49.00
2				\$617.14			\$617.14
3				\$157.71			\$157.71
4				\$29.40			\$29.40
TOTAL	\$0.00	\$0.00	\$0.00	\$853.25	\$0.00	\$0.00	\$853.25

Calendar Year: 2003

Individual Exhibit 1A

Profile Audit Review Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 19 divide by # claims with payable indem 58 = 0.32759

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. = \$ 14,521.47 divide by # of claims with obligation to pay indem. 58
Avg Unpd Ind = \$ 250.37

C. Severity Rate

Avg Unpd Indem \$ 250.37 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.34456

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.32759 X Severity rate 1.34456 X modifier of 2
= 0.88092

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	6	
# claims with late first SC notice	10	divide by # with salary continuation	39	
Totals	13	divide by	Totals 45	=

0.28889

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	13	divide by # with first PD	18	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	13	divide by	Totals 21	=

0.61905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subsequent payments 7 divide by # with subsequent payments 21 =
0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	15	divide by # requiring notices	44	
# claims with VR potential eligibility notice violations	9	divide by # requiring notices	9	
Totals	24		Totals 53	

= 0.45283

PROFILE AUDIT REVIEW PERFORMANCE RATING

Profile Audit Review Performance Rating of 2.10 or greater is a failing score.

2.57502

Calendar Year : 2003

Individual Exhibit 1B

Full Compliance Audit Performance Rating of Randomly Selected Claims

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY

A. Frequency Rate

claims with unpd indem 26 divide by # claims with payable indem 133 = 0.19549

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem = \$26,298.43 # of claims with obligation to pay indem. 133
Avg Unpd Ind = \$ 197.73

C. Severity Rate

Avg Unpd Ind. \$ 197.73 divide by avg unpd indem 1999-2001 of \$ 186.21 = 1.06188

D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate 0.19549 X Severity rate 1.06188 X modifier of 2
= 0.41517

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	5	divide by # with TD payments	12	
# claims with late first SC notice	23	divide by # with salary continuation	96	
Totals	28	divide by	Totals	108
				=
				0.25926

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	17	divide by # with first PD	40	
# claims with late first VRMA	0	divide by # with first VRMA	10	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	17	divide by	Totals	50
				=
				0.34000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

claims with late subseq payments 13 divide by # with subseq payments 45 =
0.28889

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	30	divide by # requiring notices	102	
# claims with VR potential eligibilty notice violations	14	divide by # requiring notices	19	
Totals	44		Totals	121
				=
				0.36364

FULL COMPLIANCE AUDIT PERFORMANCE RATING

Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score

1.66696

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	135
Indemnity	133
Medical Only	0
Denied	0
Complaints	2
Additional	0

Audit No: VNO-16-03-R2-6**Subject: City of Los Angeles****Location: Los Angeles****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	5	\$1,800	\$0	\$0	\$1,800		x
2	18	\$5,830	\$0	\$0	\$5,830		x
3	0	\$0	\$0	\$0	\$0		x
4	22	\$3,585	\$525	\$0	\$3,060		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	23	\$1,120	\$1,120	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	14	\$5,000	\$5,000	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	30	\$11,600	\$11,600	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	11	\$4,800	\$0	\$0	\$4,800		x
18 b	6	\$1,950	\$0	\$0	\$1,950		x
18 c	1	\$750	\$0	\$0	\$750		x
18 d	23	\$2,000	\$0	\$0	\$2,000		x
18 e	1	\$100	\$0	\$0	\$100		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	154	\$38,535	\$18,245	\$0	\$20,290		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$126.00						\$126.00
2	\$1,220.61	\$314.69		\$153.53			\$1,688.83
3				\$98.00			\$98.00
4	\$420.00						\$420.00
5	\$136.00					\$15.60	\$151.60
6	\$490.00	\$1,760.00		\$176.00			\$2,426.00
7				\$201.57			\$201.57
8				\$126.00			\$126.00
9				\$160.00			\$160.00
10				\$478.42			\$478.42
11				\$40.00			\$40.00
12			\$396.00				\$396.00
13	\$280.00						\$280.00
14				\$862.11			\$862.11
15	\$70.00						\$70.00
16	\$420.00			\$210.00			\$630.00
17		\$4,480.00		\$448.00			\$4,928.00
18	\$2,450.00			\$381.28			\$2,831.28
19	\$1,120.00			\$308.14			\$1,428.14
20	\$3,570.00						\$3,570.00
21		\$2,380.00		\$238.00			\$2,618.00
SUBTOTAL	\$10,302.61	\$8,934.69	\$396.00	\$3,881.05	\$0.00	\$15.60	\$23,529.95

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: VNO-16-03-R2-6

Subject: City of Los Angeles

Location: Los Angeles

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-11-03-R1-6****Subject: City of Modesto****Location: Modesto****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	2	divide by # claims with payable indem	47	=	0.04255
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$398.73	divide by	# of claims with obligation to pay indem.	47	
			Avg Unpd Ind =	\$	8.48

C. Severity Rate

Avg Unpd Indem	\$	8.48	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.04556
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.04255	X	Severity rate	0.04556	X	modifier of	2	
						=		0.00388

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	4	
# claims with late first SC notice	7	divide by # with salary continuation	34	
Totals	7	divide by	Totals	38
				=
				0.18421

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	26	
# claims with late first VRMA	0	divide by # with first VRMA	3	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	29
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	28	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	4	divide by # requiring notices	34	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	7		Totals	40
				=
				0.17500

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.36309**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	47
Indemnity	47
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-11-03-R1-6**Subject: City of Modesto****Location: Modesto****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	8	\$250	\$250	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$700	\$700	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	3	\$1,100	\$1,100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$200	\$200	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	16	\$2,250	\$2,250	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: City of Modesto

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-03-03-R1-6****Subject: City of Richmond Risk Management****Location: Richmond****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	1	divide by # claims with payable indem	51	=	0.01961
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 56.00	divide by	# of claims with obligation to pay indem.	51	
			Avg Unpd Ind =	\$ 1.10	

C. Severity Rate

Avg Unpd Indem	\$ 1.10	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.00590
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.01961	X	Severity rate	0.00590	X	modifier of	2	
						=		0.00023

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	1	divide by # with TD payments	2	
# claims with late first SC notice	17	divide by # with salary continuation	48	
Totals	18	divide by	Totals	50
				=
				0.36000

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	0	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	0	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	0	divide by	Totals	11
				=
				0.00000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	3	divide by # with subsequent payments	9	=
				0.33333

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	0	divide by # requiring notices	3	
Totals	1		Totals	41
				=
				0.02439

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.71795**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	51
Indemnity	51
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-03-03-R1-6**Subject: City of Richmond Risk Management****Location: Richmond****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	3	\$235	\$235	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	19	\$945	\$945	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	0	\$0	\$0	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$100	\$100	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	1	\$100	\$100	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	26	\$1,455	\$1,455	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Richmond **Type:** SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$56.00			\$56.00
TOTAL	\$0.00	\$0.00	\$0.00	\$56.00	\$0.00	\$0.00	\$56.00

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: OAK-02-03-R1-6****Subject: Contra Costa County Schools Insurance Group****Location: Pleasant Hill****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 8 divide by # claims with payable indem 56 = 0.14286

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 7,952.98 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 142.02**C. Severity Rate**

Avg Unpd Indem \$ 142.02 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.76267

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.14286 X Severity rate 0.76267 X modifier of 2
= 0.21791**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 1 divide by # with TD payments 8
claims with late first SC notice 14 divide by # with salary continuation 43
Totals 15 divide by Totals 51 =
0.29412**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 6 divide by # with first PD 20
claims with late first VRMA 0 divide by # with first VRMA 1
claims with late first DB 0 divide by # with first DB paid 0
Totals 6 divide by Totals 21 =
0.28571**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 18 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 34
claims with VR potential eligibility notice violations 2 divide by # requiring notices 4
Totals 2 Totals 38
= 0.05263**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.85037**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: OAK-02-03-R1-6**Subject: Contra Costa County Schools
Insurance Group****Location: Pleasant Hill****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	1	\$50	\$50	\$0	\$0		x
2	6	\$1,305	\$1,305	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	2	\$150	\$150	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	15	\$610	\$610	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	2	\$400	\$400	\$0	\$0		x
18 b	1	\$1,000	\$1,000	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$625	\$625	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	36	\$4,640	\$4,640	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Location: Pleasant Hill, CA **Type:** Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$96.00			\$96.00
2				\$124.00			\$124.00
3				\$557.71			\$557.71
4	\$107.73						\$107.73
5	\$575.01			\$27.45			\$602.46
6		\$5,485.51		\$548.57			\$6,034.08
7				\$298.00			\$298.00
8				\$133.00			\$133.00
TOTAL	\$682.74	\$5,485.51	\$0.00	\$1,784.73	\$0.00	\$0.00	\$7,952.98

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-17-03-T1-6****Subject: County of Riverside****Location: Riverside****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	3	divide by # claims with payable indem	55	=	0.05455
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$578.90	divide by	# of claims with obligation to pay indem.	55	
			Avg Unpd Ind =	\$	10.53

C. Severity Rate

Avg Unpd Indem	\$	10.53	divide by avg unpd indem 1999-2001 of	\$	186.21	=	0.05652
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.05455	X	Severity rate	0.05652	X	modifier of	2	
						=		0.00617

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	0	divide by # with TD payments	16	
# claims with late first SC notice	24	divide by # with salary continuation	47	
Totals	24	divide by	Totals	63
				=
				0.38095

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	5	divide by # with first PD	19	
# claims with late first VRMA	0	divide by # with first VRMA	4	
# claims with late first DB	0	divide by # with first DB paid	2	
Totals	5	divide by	Totals	25
				=
				0.20000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	0	divide by # with subsequent payments	31	=
				0.00000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	7	divide by # requiring notices	38	
# claims with VR potential eligibility notice violations	2	divide by # requiring notices	7	
Totals	9		Totals	45
				=
				0.20000

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.78712**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	55
Indemnity	55
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: LAO-17-03-T1-6**Subject: County of Riverside****Location: Riverside****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	0	\$0	\$0	\$0	\$0		x
2	5	\$1,145	\$1,145	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	24	\$830	\$830	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	2	\$600	\$600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	7	\$1,940	\$1,940	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$300	\$300	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	41	\$4,815	\$4,815	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: SI

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: LAO-16-03-R1-6****Subject: County of San Diego****Location: San Diego****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	11	divide by # claims with payable indem	57	=	0.19298
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 7,199.50	divide by	# of claims with obligation to pay indem.	57	
			Avg Unpd Ind =	\$ 126.31	

C. Severity Rate

Avg Unpd Indem	\$ 126.31	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.67830
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.19298	X	Severity rate	0.67830	X	modifier of	2	
						=		0.26180

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	3	divide by # with TD payments	8	
# claims with late first SC notice	7	divide by # with salary continuation	30	
Totals	10	divide by	Totals	38
				=
				0.26316

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	37	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	5	divide by	Totals	42
				=
				0.11905

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	6	divide by # with subsequent payments	34	=
				0.17647

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	1	divide by # requiring notices	50	
# claims with VR potential eligibility notice violations	7	divide by # requiring notices	10	
Totals	8		Totals	60
				=
				0.13333

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****0.95381**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	58
Indemnity	57
Medical Only	0
Denied	0
Complaints	1
Additional	0

Audit No: LAO-16-03-R1-6**Subject: County of San Diego****Location: San Diego****Type: SI**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	3	\$175	\$175	\$0	\$0		x
2	4	\$1,540	\$1,540	\$0	\$0		x
3	1	\$100	\$100	\$0	\$0		x
4	7	\$430	\$430	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	7	\$390	\$390	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	7	\$2,600	\$2,600	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	1	\$400	\$400	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	4	\$1,500	\$1,500	\$0	\$0		x
18 b	2	\$600	\$600	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	7	\$600	\$600	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	43	\$8,335	\$8,335	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: LAO-16-03-R1-6

Subject: County of San Diego

Location: San Diego

Type: SI

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$139.17			\$13.92			\$153.09
2	\$420.00						\$420.00
3				\$91.43			\$91.43
4				\$101.55			\$101.55
5	\$324.19			\$123.19			\$447.38
6				\$62.00			\$62.00
7	\$3,610.48						\$3,610.48
8				\$40.00			\$40.00
9		\$438.57		\$43.86			\$482.43
10		\$1,602.85		\$160.29			\$1,763.14
11				\$28.00			\$28.00
TOTAL	\$4,493.84	\$2,041.42	\$0.00	\$664.24	\$0.00	\$0.00	\$7,199.50

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-13-03-R1-1****Subject: Crum and Forster Insurance****Location: Plano, TX****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 7 divide by # claims with payable indem 56 = 0.12500

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ 6,338.38 divide by # of claims with obligation to pay indem. 56
Avg Unpd Ind = \$ 113.19**C. Severity Rate**

Avg Unpd Indem \$ 113.19 divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.60784

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.12500 X Severity rate 0.60784 X modifier of 2
= 0.15196**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 23 divide by # with TD payments 54
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 23 divide by Totals 54 =
0.42593**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 3 divide by # with first PD 12
claims with late first VRMA 0 divide by # with first VRMA 4
claims with late first DB 0 divide by # with first DB paid 0
Totals 3 divide by Totals 16 =
0.18750**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 10 divide by # with subsequent payments 37 =
0.27027**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 5 divide by # requiring notices 20
claims with VR potential eligibility notice violations 8 divide by # requiring notices 12
Totals 13 divide by Totals 32 =
0.40625**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.44191**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	56
Indemnity	56
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-13-03-R1-1**Subject: Crum and Forster Insurance****Location: Plano, TX****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	25	\$2,985	\$2,985	\$0	\$0		x
2	3	\$1,220	\$1,220	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	14	\$1,645	\$1,645	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	8	\$2,300	\$2,300	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	5	\$1,900	\$1,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	3	\$1,300	\$1,300	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	3	\$250	\$250	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	1	\$500	\$500	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	63	\$12,500	\$12,500	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Subject: Crum and Forster Insurance

Type: Ins

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$68.32						\$68.32
2				\$75.08			\$75.08
3	\$61.19						\$61.19
4				\$196.00			\$196.00
5		\$2,148.57		\$214.86			\$2,363.43
6						\$428.49	\$428.49
7	\$2,859.88			\$285.99			\$3,145.87
TOTAL	\$2,989.39	\$2,148.57	\$0.00	\$771.93	\$0.00	\$428.49	\$6,338.38

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	14	divide by # claims with payable indem	49	=	0.28571
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 15,583.25	divide by	# of claims with obligation to pay indem.	49	
			Avg Unpd Ind =	\$ 318.03	

C. Severity Rate

Avg Unpd Indem	\$ 318.03	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.70789
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.28571	X	Severity rate	1.70789	X	modifier of	2	
						=		0.97594

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	21	divide by # with TD payments	45	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	21	divide by	Totals	45
				=
				0.46667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	4	divide by # with first PD	11	
# claims with late first VRMA	0	divide by # with first VRMA	1	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	4	divide by	Totals	12
				=
				0.33333

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	10	divide by # with subsequent payments	29	=
				0.34483

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	12	divide by # requiring notices	39	
# claims with VR potential eligibility notice violations	4	divide by # requiring notices	6	
Totals	16		Totals	45
				=
				0.35556

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.47632**

Full Compliance Audit Performance Rating of Randomly Selected Claims**Audit No: SAC-04-03-R2-5****Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY**A. Frequency Rate

# claims with unpd indem	27	divide by # claims with payable indem	91	=	0.29670
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem =	\$ 23,704.83	divide by	# of claims with obligation to pay indem.	91	
			Avg Unpd Ind =	\$ 260.49	

C. Severity Rate

Avg Unpd Ind.	\$ 260.49	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	1.39892
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.29670	X	Severity rate	1.39892	X	modifier of	2	
						=		0.83013

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	36	divide by # with TD payments	83	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	36	divide by	Totals	83
				=
				0.43373

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	9	divide by # with first PD	23	
# claims with late first VRMA	1	divide by # with first VRMA	5	
# claims/late first death benefits	0	divide by # with first death ben paid	0	
Totals	10	divide by	Totals	28
				=
				0.35714

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subseq payments	22	divide by # with subseq payments	51	=
				0.43137

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	18	divide by # requiring notices	67	
# claims with VR potential eligibilty notice violations	6	divide by # requiring notices	12	
Totals	24	Totals	79	
				=
				0.30380

FULL COMPLIANCE AUDIT PERFORMANCE RATING**Full Compliance Audit Performance Rating of indemnity files of 2.82 or greater is a failing score****2.35618**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	91
Indemnity	91
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-04-03-R2-5**Subject: Cunningham Lindsey Claims Management****Location: Rancho Cordova Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessed	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	44	\$3,090	\$0	\$3,090	\$0		x
2	8	\$1,635	\$0	\$1,635	\$0		x
3	1	\$50	\$0	\$50	\$0		x
4	46	\$3,185	\$2,075	\$0	\$1,110		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	6	\$1,900	\$1,900	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	18	\$6,800	\$6,800	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	15	\$2,650	\$0	\$2,650	\$0		x
18 b	8	\$3,400	\$0	\$3,400	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	40	\$2,700	\$0	\$2,700	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	186	\$25,410	\$10,775	\$13,525	\$1,110		

Administrative penalties waived pursuant to Labor Code Section 129.5(c)(1).

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4
Page 1 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova **Type: TPA**

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1	\$492.40			\$112.76			\$605.16
2				\$32.00			\$32.00
3		\$6,240.00		\$656.00			\$6,896.00
4				\$522.70			\$522.70
5		\$660.00					\$660.00
6		\$38.50		\$3.85			\$42.35
7				\$83.20			\$83.20
8		\$120.00					\$120.00
9	\$1,680.00			\$693.00			\$2,373.00
10				\$280.00			\$280.00
11	\$36.20						\$36.20
12	\$264.97						\$264.97
13		\$840.00					\$840.00
14	\$190.44						\$190.44
15	\$210.00						\$210.00
16				\$375.16			\$375.16
17	\$257.01			\$20.09			\$277.10
18	\$70.00						\$70.00
19	\$80.91						\$80.91
20	\$144.00			\$217.40			\$361.40
21		\$6,008.00					\$6,008.00
SUBTOTAL	\$3,425.93	\$13,906.50	\$0.00	\$2,996.16	\$0.00	\$0.00	\$20,328.59

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Page 2 of 2

Audit No: SAC-04-03-R2-5

Subject: Cunningham Lindsey Claims Management

Location: Rancho Cordova

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty interest, or other	Total
22	\$210.00	\$1,460.00					\$210.00
23	\$62.74						\$62.74
24				\$112.00		\$112.00	
25	\$210.00			\$627.69		\$837.69	
26	\$280.00			\$42.00		\$322.00	
27				\$371.81		\$1,831.81	

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SFO-04-03-R1-1****Subject: Federated Mutual Insurance****Location: Phoenix, AZ****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

claims with unpd indem 0 divide by # claims with payable indem 3 = 0.00000

B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay IndemnityTotal unpd indem. = \$ - divide by # of claims with obligation to pay indem. 3
Avg Unpd Ind = \$ -**C. Severity Rate**

Avg Unpd Indem \$ - divide by avg unpd indem 1999-2001 of \$ 186.21 = 0.00000

D. Factor for Failure to pay Undisputed Accrued IndemnityFrequency rate 0.00000 X Severity rate 0.00000 X modifier of 2
= 0.00000**2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE**# claims with late 1st TD 2 divide by # with TD payments 3
claims with late first SC notice 0 divide by # with salary continuation 0
Totals 2 divide by Totals 3 =
0.66667**3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS**# claims with late first PD 0 divide by # with first PD 0
claims with late first VRMA 0 divide by # with first VRMA 0
claims with late first DB 0 divide by # with first DB paid 0
Totals 0 divide by Totals 0 =
0.00000**4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS**# claims with late subsequent payments 0 divide by # with subsequent payments 1 =
0.00000**5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION**# claims with AME/QME notice violations 0 divide by # requiring notices 1
claims with VR potential eligibility notice violations 1 divide by # requiring notices 1
Totals 1 divide by Totals 2 =
0.50000**PROFILE AUDIT REVIEW PERFORMANCE RATING****Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****1.16667**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	3
Indemnity	3
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SFO-04-03-R1-1**Subject: Federated Mutual Insurance****Location: Phoenix, AZ****Type: INS**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	2	\$75	\$75	\$0	\$0		x
2	0	\$0	\$0	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	0	\$0	\$0	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	1	\$500	\$500	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	0	\$0	\$0	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	0	\$0	\$0	\$0	\$0		x
18 b	0	\$0	\$0	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	0	\$0	\$0	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	3	\$575	\$575	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Individual Exhibit 4

Type: INS

[illegible]

Profile Audit Review Performance Rating of Randomly Selected Claims**Audit No: SAC-03-03-R1-5****Subject: Frank Gates Service Company****Location: El Dorado Hills****1. FACTOR FOR FAILURE TO PAY ACCRUED AND UNDISPUTED INDEMNITY****A. Frequency Rate**

# claims with unpd indem	17	divide by # claims with payable indem	41	=	0.41463
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B. Average Amount of Unpaid Indemnity per Claim with Obligation to Pay Indemnity

Total unpd indem. =	\$ 3,594.78	divide by	# of claims with obligation to pay indem.	41	
			Avg Unpd Ind =	\$ 87.68	

C. Severity Rate

Avg Unpd Indem	\$ 87.68	divide by avg unpd indem 1999-2001 of	\$ 186.21	=	0.47085
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D. Factor for Failure to pay Undisputed Accrued Indemnity

Frequency rate	0.41463	X	Severity rate	0.47085	X	modifier of	2	
						=		0.39046

2. FACTOR FOR LATE FIRST PAYMENT OF TEMPORARY DISABILITY OR FIRST NOTICE

# claims with late 1st TD	15	divide by # with TD payments	36	
# claims with late first SC notice	0	divide by # with salary continuation	0	
Totals	15	divide by	Totals	36
				=
				0.41667

3. FACTOR FOR LATE FIRST PAYMENT OF PERMANENT DISABILITY, VRMA, AND DEATH BENEFITS

# claims with late first PD	3	divide by # with first PD	10	
# claims with late first VRMA	0	divide by # with first VRMA	2	
# claims with late first DB	0	divide by # with first DB paid	0	
Totals	3	divide by	Totals	12
				=
				0.25000

4. FACTOR FOR LATE SUBSEQUENT INDEMNITY PAYMENTS

# claims with late subsequent payments	16	divide by # with subsequent payments	25	=
				0.64000

5. FACTOR FOR PROVISION OF AME/QME NOTICES AND NOTICES OF POTENTIAL ELIGIBILITY FOR VOCATIONAL REHABILITATION

# claims with AME/QME notice violations	8	divide by # requiring notices	23	
# claims with VR potential eligibility notice violations	3	divide by # requiring notices	6	
Totals	11		Totals	29
				=
				0.37931

PROFILE AUDIT REVIEW PERFORMANCE RATING**Profile Audit Review Performance Rating of 2.10 or greater is a failing score.****2.07644**

Calendar Year: 2003**Individual Exhibit 3****Penalty Assessments and Collections**

Files Audited:	41
Indemnity	41
Medical Only	0
Denied	0
Complaints	0
Additional	0

Audit No: SAC-03-03-R1-5**Subject: Frank Gates Service Company****Location: El Dorado Hills Type: TPA**

Item #	# of Times Cited	Total \$ Penalties Assessable	Total \$ Penalties Waived	Total \$ Amount Collected	Balance \$ Due	Appealed	
						Yes	No
1	15	\$2,685	\$2,685	\$0	\$0		x
2	3	\$1,020	\$1,020	\$0	\$0		x
3	0	\$0	\$0	\$0	\$0		x
4	54	\$4,080	\$4,080	\$0	\$0		x
5	0	\$0	\$0	\$0	\$0		x
6	0	\$0	\$0	\$0	\$0		x
7	0	\$0	\$0	\$0	\$0		x
8	0	\$0	\$0	\$0	\$0		x
9	0	\$0	\$0	\$0	\$0		x
10	0	\$0	\$0	\$0	\$0		x
11	0	\$0	\$0	\$0	\$0		x
12	0	\$0	\$0	\$0	\$0		x
13	3	\$1,200	\$1,200	\$0	\$0		x
14	0	\$0	\$0	\$0	\$0		x
15	8	\$2,900	\$2,900	\$0	\$0		x
16	0	\$0	\$0	\$0	\$0		x
17	0	\$0	\$0	\$0	\$0		x
18 a	9	\$1,200	\$1,200	\$0	\$0		x
18 b	1	\$400	\$400	\$0	\$0		x
18 c	0	\$0	\$0	\$0	\$0		x
18 d	22	\$1,575	\$1,575	\$0	\$0		x
18 e	0	\$0	\$0	\$0	\$0		x
18 f	0	\$0	\$0	\$0	\$0		x
19	0	\$0	\$0	\$0	\$0		x
20 a	0	\$0	\$0	\$0	\$0		x
20 b	0	\$0	\$0	\$0	\$0		x
20 c	0	\$0	\$0	\$0	\$0		x
20 d	0	\$0	\$0	\$0	\$0		x
21	0	\$0	\$0	\$0	\$0		x
TOTAL	115	\$15,060	\$15,060	\$0	\$0		

Administrative penalties waived pursuant to Labor Code Section 129.5(c) and regulatory authority.

Calendar Year: 2003
Notices of Compensation Due

Individual Exhibit 4

Audit No: SAC-03-03-R1-5

Subject: Frank Gates Service Company

Location: El Dorado Hills

Type: TPA

Item Number	Temporary Disability	Permanent Disability	VRMA	Self-imposed Increase	Death Benefits	Penalty Interest or Other	Total
1				\$231.20			\$231.20
2		\$1,260.00					\$1,260.00
3				\$140.06			\$140.06
4	\$36.18						\$36.18
5				\$160.25			\$160.25
6				\$58.48			\$58.48
7	\$117.03			\$11.70			\$128.73
8				\$50.27			\$50.27
9	\$20.00			\$44.70			\$64.70
10				\$41.10			\$41.10
11				\$280.00			\$280.00
12	\$312.07			\$74.43			\$386.50
13	\$45.60			\$44.03			\$89.63
14	\$17.02			\$1.70			\$18.72
15	\$473.59			\$23.37			\$496.96
16				\$98.00			\$98.00
17	\$54.00						\$54.00
TOTAL	\$1,075.49	\$1,260.00	\$0.00	\$1,259.29	\$0.00	\$0.00	\$3,594.78